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Japan

MITI Opposes 'Voluntary' Auto Plans

OW2006091995 Tokyo KYODO in English 0913 GMT 20 Jun 95

[FBIS Transcribed Text] Tokyo, June 20 KYODO — A senior Trade Ministry official Tuesday [20 June] expressed opposition to a proposal that the Japanese auto industry make public "voluntary plans" to boost overseas production as a way to break the impasse in the Japan-U.S. auto dispute.

The official at the Ministry of International Trade and Industry (MITI), who requested anonymity, said no one would believe such plans were made "voluntarily," without government intervention.

He was commenting on a suggestion made earlier Tuesday by Masami Iwasaki, chairman of the Japan Automobile Manufacturers Association, that the industry is ready to disclose programs to expand auto production in North America on a voluntary basis.

Sakamoto 'Pessimistic' About Geneva Auto Talks

OW2006013195 Tokyo KYODO in English 0116 GMT 20 Jun 95

[FBIS Transcribed Text] Brussels, June 19 KYODO — A top Japanese negotiator said Tuesday [20 June] he was pessimistic toward the auto talks scheduled between U.S. and Japanese vice ministers from Thursday in Geneva.

"To be honest, I am pessimistic," said Yoshihiro Sakamoto, vice minister of international trade and industry for international affairs. "There is absolutely no sign of the United States proposing something new to reach a compromise," he told reporters.

On media reports that the U.S. side is considering requesting Japanese carmakers in the U.S. to procure more local parts instead of making voluntary plans for U.S. auto parts purchases, Sakamoto said, "there have been no indications or proposals of that kind made officially or unofficially by the U.S. Government."

The official implied the scheduled two-day talks could be shortened to just one day. "I can't tell for sure at this stage, but it might not take two days," he said.

Asked how Japan would respond if the U.S. moves to impose 100 percent punitive tariffs on 13 Japanese luxury cars from June 28, Sakamoto noted that "it is possible to prepare retaliatory measures." But he added that Japan must "respect and stick to world trade organization procedures" for dispute settlements.

Mori Hints at Concessions on Auto Talks

OW2006051195 Tokyo KYODO in English 0443 GMT 20 Jun 95

[FBIS Transcribed Text] Tokyo, June 20 KYODO — The secretary general of the Liberal Democratic Party (LDP), the largest party in the tripartite ruling coalition, indicated Tuesday that Japan should make concessions in the auto and auto parts trade talks with the United States.

Yoshihiro Mori said, "prior to the June 28 deadline of the final U.S. decision to carry out punitive measures (against some Japanese luxury cars), the U.S. seems to be in a hard situation about the trade negotiations. Japan should also take this seriously."

Vice-ministerial talks will be held between the two nations in geneva on Thursday and Friday. The U.S. trade representative has said the U.S. will implement the announced trade sanctions June 28 if the two countries fail to reach an accord by that date.

Meanwhile, Hiroshi Mitsuzuka, former transport minister and an influential figure in the LDP, said, "the Japan-U.S. Relationship is Japan's key diplomatic factor. We should seek a better solution (in the auto and auto parts trade talks) by carefully avoiding stubborn stances."

Tsutsumi Holds News Conference on Auto Dispute

OW2006023495 Tokyo Asahi Newstar Television Network in Japanese 0920 GMT 19 Jun 95

[News conference by Tomio Tsutsumi, administrative vice minister of international trade and industry, with unidentified Japanese reporters at the Ministry of International Trade and Industry — recorded: from "Flash Report: News Conference" program]

[FBIS Translated Excerpt] [Passage omitted] [Reporter] My question concerns the Japan-U.S. summit talks held during the G-7 summit. Was the auto dispute taken up for discussion at the summit talks?

[Tsutsumi] The automobile issue is of great concern to Japan and the United States, and both countries are conducting negotiations. The two countries will hold talks for two days on 22 and 23 June. At the G-7 summit talks, the leaders of both countries affirmed that the friendly relations between Japan and the United States should not be impaired by the auto dispute, and I believe their affirmation is of great significance. At the summit talks, while President Clinton said the deadline of 28 June is irreversible, Prime Minister Murayama explicitly told the President he hoped the United States would drop its decision to invoke the 301 provision. The prime minister also said the 301 provision is not an international law [laughing] and is based on a domestic law of the United States. I believe that at the summit talks, the prime minister advocated what he had to advocate. It is a matter of course for the leaders of the two countries to affirm that Japan- U.S. relations as a whole are friendly, and my view is that their affirmation is important at this time.

[Reporter] It has been reported that International Trade and Industry Minister Hashimoto will hold ministerial talks with U.S. Trade Representative Kantor on 23 June. Would you comment on these reports?

[Tsutsumi] Minister Hashimoto has no schedule to hold such ministerial talks with Kantor at all. Neither Tokyo, nor Washington has proposed holding such ministerial talks. At present, it is correct to say there is no plan to hold ministerial talks.

[Reporter] Has Japan changed its stance in the auto talks?

[Tsutsumi] From now on, Japan will make contact with the United States. I have nothing to say before Japan makes contact with the United States on 22 and 23 June. Both Japan and the United States are taking actions, but I am not optimistic about future auto negotiations. President Clinton himself said during the summit talks with Prime Minister Murayama that if no deal is struck in the auto negotiations by 28 June, the United States would go ahead with planned sanctions against Japan. I consider his statement to be grim.

[Reporter] Will Japan continue to take the same stance in the auto negotiations?

[Tsutsumi] There have been various reports. The government has yet to consider offering any compromise proposal in the auto talks. During the G-7 summit, I met with European Commission vice president Brittan. During the meeting, vice president Brittan unequivocally said numerical targets and voluntary plans are a problem to the EU. What the government is presently going to do is to settle the auto negotiations with the United States under international trade rules in a way that will be agreeable to the international community. The government intends to avoid setting any numerical targets, drawing up voluntary plans, or intervening in the private sector. It is true the government has stated that without these requirements, striking a deal in the auto negotiations is possible. At this time, there are no signs of such a deal being struck. I believe that contact between the Japanese and U.S. negotiators on 22 and 23 June will be a starting point. [passage omitted]

Signs Seen of Early Auto Dispute Solution

OW1906155895 Tokyo KYODO in English 1546 GMT 19 Jun 95

["News Focus" by Keiji Urakami: "Signs of Auto Solution Seen Ahead of June 28 Deadline"]

[FBIS Transcribed Text] Tokyo, June 19 KYODO — Japan and the United States could be heading toward a solution to their auto trade squabble, which has been pushed to the brink with a just week remaining before the June 28 deadline for U.S. sanctions.

Subcabinet-level talks starting in Geneva on Thursday [22 June] are seen as the last chance for both parties to avert Washington's slapping of 100 percent punitive tariffs on Japanese luxury car imports.

But the talks, originally set for a two-day run, will be prolonged, probably until the very deadline, before a final solution to the long-running dispute that has already developed into a global issue under the World Trade Organization (WTO).

"We will return to the negotiating table in Geneva while expecting new proposals from the U.S. side," an official at Japan's Ministry of International Trade and Industry said.

The Japanese official is pinning his hopes on the recent agreement by Japanese Prime Minister Tomiichi Murayama and U.S. President Bill Clinton to continue maximum efforts to resolve the dispute until the final moment of the deadline.

"We agreed that our negotiators should redouble their efforts to seek the solution to those difference (in auto trade talks) when they meet in Geneva," said Clinton in a joint press conference after meeting Murayama in Halifax, Canada, last week.

Clinton also said, "I have instructed our negotiators to pursue every possible avenue of resolution before the June 28 deadline."

"That remark is very significant. Without a specific scenario for a solution, Clinton would not have uttered such a strong expression of efforts," said the MITI official.

U.S. Secretary of State Warren Christopher has also echoed the prospect of a compromise, saying, "I'm sure the negotiators have gotten some parameters of areas where they can perhaps see agreements ahead."

Hopes of a breakthrough rose when Japanese news media reported that specific compromise plans are under study by the U.S. side.

KYODO NEWS SERVICE quoted U.S. Administration sources as saying Sunday Washington is preparing a new compromise proposal to replace its request for Japanese carmakers' commitment to expand purchases of U.S. parts under the so-called "voluntary" plans.

Such plans are at the heart of the two-year auto wrangling, with Japanese negotiators declaring they would not be back at the negotiating table, which they last left in the may meeting in Canada, unless Washington honors its pledge not to deal with the idea.

The U.S. sources were quoted as saying the U.S. would drop the voluntary plan request if the Japanese Government makes sure that Japanese carmakers agree to use a higher proportion of locally made components in vehicles assembled at their north American factories.

The MITI official, however, turned down the idea, saying, "That proposal would be out of the question."

Vice MITI Minister Tomio Tsutsumi said that would nothing but Japan's accepting "numerical targets," a notion Tokyo has repeatedly rejected in trade "framework" talks with the U.S. as a violation of international trade rules.

For Japanese carmakers to make a commitment on local content ratios in overseas operations would "constitute a clearer violation" of the WTO's trade-related investment measures (TRIM) than guarantees on volunteer plans would do, Tsutsumi said.

Despite the clear-cut MITI rejection of U.S. requests on local content ratios, hopes are still high that the trade row will be settled along the line of Japan's commitment to increase U.S. components.

The recent announcement by some Japanese carmakers to expand production in the U.S. has fueled speculation that the industry is making efforts on its own to settle the dispute, which would deal severe damage to their earnings if U.S. sanctions are imposed.

Japan's largest carmaker, Toyota Motor Corp., said it will release a plan to boost auto production in North America by building a new factory in the area.

The move, prompted by the yen's recent rapid gain against the dollar, would naturally help increase the company's purchases of locally made components.

Toyota said its auto output in North America will expand to 900,000 vehicles in 1998 from a projected 790,000 vehicles in 1998.

A Toyota official stressed this plan would not bind the company's business operations overseas as numerical targets or voluntary parts-purchasing programs could do. The figures are merely a benchmark on which the annual business plan is built, the official said.

The MITI official refrained from clarifying what would be expected of the U.S. in the upcoming Geneva talks.

Industry sources think Toyota will meet MITI chief Ryutaro Hashimoto shortly to get the ministry's nod on the new plan.

Hashimoto recently said MITI would let automakers announce their production plans if they have been formulated purely on a voluntary basis.

John Penfold, minister for economic affairs at the U.S. Embassy in Japan, said Washington has not sought any action from the Japanese Government to force Japanese carmakers to make specific commitments on their use of U.S. parts.

He said neither the U.S. nor Japanese Government should have a role in such private-sector matters.

"Such a program should be formulated on a voluntary basis according to makers' own plans," he said.

Article Previews Auto Talks in Geneva

OW2006123495 Tokyo NIHON KEIZAI SHIMBUN in Japanese 20 Jun 95 Morning Edition p 5

[Unattributed "Undercurrent" column: "Auto Talks Entering into Another Maze"]

[FBIS Translated Text] The auto trade talks between Japan and the United States are back at the starting line despite recent moves toward a settlement. On 19 June, the Ministry of International Trade and Industry [MITI] announced it found difficult to accept the U.S. concession plan offered during the Group-of-Seven summit in Halifax. MITI views the auto talks as unlikely to be settled at the subcabinet-level talks in Geneva on 22 and 23 June, since it has no intention of dropping its refusal of numerical targets. But the U.S. Government may push the proposal harder, taking into account the Japanese business sector's concern over the possible impact of sanctions by the United States. Hot negotiations are likely to continue between the two nations until the 28 June deadline for the U.S. sanctions.

In the 19 June press conference, MITI Vice Minister Tomio Tsutsumi said it is difficult to accept the U.S. proposal for voluntary increases in local content ratios by Japanese automakers. GATT's trade-related investment measures (TRIM) agreement prohibits enforcement of local content rules, which go against the principle of national treatment for imported goods.

The increase in the local content ratios was proposed by U.S. negotiators as a measure to boost Japanese automakers' parts procurement in the United States. U.S. negotiators were confident of concessions to the proposal through unofficial negotiations reportedly held with Japanese automakers. A corroboration is seen in Toyota Motor Corporation's plan to disclose voluntarily its production plans in North America.

The U.S. Government's scenario for settling the auto talks was ruined when behind-the-scene consultations between the U.S. Government and Japanese automakers were revealed before they reached agreement. It appears the U.S. Government sought a settlement of the issue through direct talks with automakers and without MITI's participation. However, this plan has become difficult due to MITI's opposition.

MITI is expected to offer deregulation and import-boosting measures at the Geneva talks, but the United States is unlikely to be satisfied with such proposals. The negotiations are entering another maze.

Reaction to U.S. Plan for Aviation Sanctions

Transport Officials 'Astonished'

OW2006022195 Tokyo KYODO in English 0216 GMT 20 Jun 95

[FBIS Transcribed Text] Tokyo, June 20 KYODO — Japan reacted strongly on Tuesday [20 June] to Washington's announcement of a plan to bar two Japanese airlines from transporting air cargoes from five Asian countries and territories via Japan to the United States.

"It astonished us that the U.S. abruptly announced the contents of the sanctions at a time when negotiations are still under way," a senior Japanese Transport Ministry official said.

"Does the U.S. intend to reject any further negotiations with us?," he asked.

U.S. Undersecretary of State Joan Spero earlier this month threatened to initiate legal proceedings which could lead to the imposition of sanctions, after the collapse of talks between Secretary of Transportation Federico Pena and his Japanese counterpart Shizuka Kamei.

However, Japan has asked the U.S. to hold further discussions in Geneva, alongside the talks on the auto trade row scheduled to be held in the Swiss city Thursday and Friday.

The Japanese reaction came a day after Pena announced the proposed sanctions as well as a decision to issue a "show cause order" to elicit comments from the U.S. aviation industry on the sanctions.

The U.S. Transportation Department is expected to announce a final decision by July 14 after reviewing comments from the private sector on the proposed sanctions.

The sanctions would bar Japan Airlines (JAL) and Nippon Cargo Airlines (NCA) from transporting cargoes flown to Japan by various Japanese airlines from five Asian countries and territories — Hong Kong, Taiwan, Indonesia, Singapore and Thailand — via Japan to the U.S.

The volume of air cargo transported from the five economies via Japan to the U.S. accounts for 30 to 40 percent of all U.S.-bound air cargo from Japan. A sizable portion of the goods comprises clothes and electronics products.

The bilateral aviation talks stalled after Japan rejected U.S. calls to allow Federal Express Corp. to fly via Tokyo to several Asian destinations, including the Philippines, in accordance with "beyond rights" held by U.S. airlines under a 1952 bilateral treaty.

Tokyo has been refusing to accept requests for new routes by U.S. airlines, saying the treaty is unbalanced in favor of the U.S., while the U.S. has been urging Japan to comply with the aviation treaty.

NCA President Toyoichiro Nakata condemned the U.S. for having behaved in a "egotistical" manner by proposing the sanctions.

"The flights targeted by the sanctions account for more than 10 percent of all the cargoes my company transports, so it would deal a fairly severe blow to us if the sanctions were implemented," he said.

NCA was founded in 1978. Thirteen percent stakes in the company are each held by All Nippon Airways and three leading Japanese shipping companies — Nippon Yusen Kaisha Ltd., Mitsui O.S.K. Lines Ltd. and Kawasaki Kisen Kaisha Ltd. — and other interests, including Navix Line Ltd., also hold shares.

Retaliatory Steps Threatened

OW2006033995 Tokyo KYODO in English 0335 GMT 20 Jun 95

[FBIS Transcribed Text] Tokyo, June 20 KYODO — Japan will take retaliatory steps against the United States if Washington imposes sanctions against two Japanese airlines over the rupture of bilateral aviation talks, Transport Minister Shizuka Kamei said Tuesday [20 June].

Kamei said "Japan will have no choice but to take appropriate steps" if the U.S. implements the proposed sanctions.

He said it was "highly regrettable" that the U.S. rejected Japanese efforts to reach a settlement through negotiations and decided to take unilateral action against Japan.

U.S. Secretary of Transportation Federico Pena announced Monday a plan to bar two Japanese airlines from transporting air cargoes from five Asian countries and territories via Japan to the United States, following the breakdown of the negotiations.

Washington also plans to issue a "show cause order" to elicit comments from the U.S. aviation industry on the sanctions.

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The volume of air cargo transported from the five economies via Japan to the U.S. accounts for 30 to 40 percent of all U.S.-bound air cargo from Japan. A sizable portion of the goods comprises clothing and electronics products.

The bilateral aviation talks stalled after Japan rejected U.S. calls to allow Federal Express Corp. to fly via Tokyo to several Asian destinations, including the Philippines, in accordance with "beyond rights" held by U.S. airlines under a 1952 bilateral treaty.

Tokyo has been refusing to accept requests for new routes by U.S. airlines, saying the treaty is unbalanced in favor of the U.S., while the U.S. has been urging Japan to comply with the aviation treaty.

NCA President Toyoichiro Nakata condemned the U.S. for having behaved in a "egotistical" manner by proposing the sanctions.

"The flights targeted by the sanctions account for more than 10 percent of all the cargoes my company transports, so it would deal a fairly severe blow to us if the sanctions were implemented," he said.

NCA was founded in 1978. Thirteen percent stakes in the company are each held by All Nippon Airways and three leading Japanese shipping companies — Nippon Yusen Kaisha Ltd., Mitsui O.S.K. Lines Ltd. and Kawasaki Kisen Kaisha Ltd. — and other interests, including Navix Line Ltd., also hold shares.

Igarashi on Aviation Talks, Nuclear Testing

OW2006055295 Tokyo Asahi Newstar Television Network in Japanese 0254 GMT 20 Jun 95

[Question and answer session with Kozo Igarashi, chief cabinet secretary, following a regular news briefing at the prime minister's official residence on the morning of 20 June; reporters asking questions unidentified]

[FBIS Translated Excerpt] [Passage omitted] [reporter] U.S. airlines [words indistinct]. What do you think?

[Igarashi] Japan has consistently stated that it intends to resolve this issue through discussions. Despite this, it is really unfortunate that the United States has announced it will take unilateral measures. Japan's position of continuing to work for a satisfactory solution to this problem through discussions remains unchanged. We will respond calmly and deal with the issue properly.

[Reporter] The prime minister talked to President Chirac about the nuclear issue, but France said it has no intention of stopping nuclear tests. What will the government do from now on?

[Igarashi] The prime minister, as we expected, took a very positive stand at the summit meeting by expressing his regret over the nuclear tests, and calling for their discontinuation. Although there was a difference of opinion, I think it was a good thing that the prime minister reiterated his position and strongly presented Japan's stand. The Japanese Government will take every opportunity to convey its conviction to France.

[Reporter] Does Japan intend to play an active leadership role in arousing international public opinion against the resumption of nuclear testing, following the example of New Zealand, which is strongly against the nuclear tests, at the [words indistinct]?

[Igarashi] I think the fact that Japan came out with an unequivocal position at the summit will surely have a great impact on international public opinion. We will continue to adhere to our position.

Free Trade Agreement With U.S. Proposed

OW1906144095 Tokyo SHUKAN DAIYAMONDO in Japanese 10 Jun 95 pp 12-14

[Summary of remarks by Jitsuro Terajima, head of Mitsui & Company, Ltd.'s Washington office, at an interview with SHUKAN DAIYAMONDO: "A Remedy for the Japan-U.S. Trade War: 'Japan-U.S. Free Trade Agreement'"]

[FBIS Translated Text] What is strange about Japan when seen from the outside is that it is becoming an extraordinary country, having a dual price system with the yen appreciation as the lever. In short, price destruction and a new type of deflation are developing with tremendous force in the sectors where competitive elements have gained entry. For example, a hotel I stayed at in Tokyo charged me 30,000 plus several thousand yen per night just several years ago. However, the hotel bill has now dropped to 10,000 plus several thousand yen, although various conditions are attached. Japan's economy is rapidly approaching the dollar-denominated economic sphere in the sectors where competitive elements have gained entry. The price system is falling to the level where Japan's economy can meet international competition in terms of dollars. This is certainly a "new type of deflation."

On the other hand, in the sectors where official regulations are enforced, a different price system still goes unchallenged, to our surprise, as if we are under the influence of "creeping inflation." Recently we have had a crop of phenomena that prompt us to ask: "Why price hikes now, of all times?" For example, expressway and taxi fares have been raised, and nongovernmental railroad fares are expected to rise. When criticized, people in these sectors answer in bewilderment: "Well, costs have risen."

Japan's crude oil price, set at 100 in 1990, fell to 48 in 1994 as a result of the fall of crude oil prices plus the appreciation of the yen; in short, the price decreased 52 percent. Despite that, the retail price of gasoline has not fallen. The same is true of the power rate. What is evident here is that people in the world of regulation are quite isolated from changes in the international environment, and they are living with creeping inflation.

In short, Japan is becoming an economically unusual country where a new type of deflation and creeping inflation coexist and are pulling the country in opposite directions. It is no wonder that Japan's economic policies are in chaos. The reason is that standards for policy implementation differ according to the direction of focal points.

According to Economic Planning Agency statistics, 41 percent of Japan's gross domestic product belongs to the sectors where public regulations are enforced. The corresponding figure for the United States is 7 percent. The strongest hindrance to communication between Japan and the United States is the difference between the "overregulated Japan" and the "overcompetitive United States," whose overcompetiveness seems unusual to the Japanese side as shown by the figure — 41 to 7.

In the circumstances, only the industries protected by regulations — those under creeping inflation — will survive, and the industries with real competitiveness will cease to exist.

It Is Impossible To Attain International Competitiveness Without Strengthening the Domestic Economic Foundation

When Japan presents itself at the World Trade Organization [WTO], a place for multinational trade negotiations, it is evident that problems confronting Japan, such as the antimonopoly and anticompetition policies, will be exposed to the whole world. What I want to emphasize is that it is impossible to attain international bargaining power without strengthening the economy's foundation within the country.

Nothing is wrong with the principled stance shown by International Trade and Industry Minister Hashimoto this time. What is most important is to correctly perceive what it means to assume a principled stance in a local battle and what position this problem occupies in the total situation, and to ask whether Japan's action is part of a strategy that considers the next step in the future relationship between Japan and the United States.

For the past 50 years, since the end of World War II, Japan's trade negotiations have been bilateral ones with the United States. Bilateral negotiations are far simpler than multilateral ones, because the former is a one-on-one match against the party in front of you. Similarly, Japan weathered the Russo-Japanese War in a very stable way under the Anglo-Japanese alliance. However, Japan is poor at multilateral negotiations, a fact that is evident when we look at Japan's failure in the multilateral negotiations leading to the Treaty of Washington. The reason is that one has to insist on one's rightful position among people with a great variety of opinions who are sitting around a round table.

From now on, Japan will have to conduct multilateral negotiations in the Asia-Pacific region. Therefore, unless the logistics of diplomacy, information, and human resources that support multilateral negotiations are immediately made ready, Japan cannot conduct such negotiations. The WTO is not a court that hands down a fair judgment. The WTO's direction is decided by the competition of its participants' power. In this case, power means not only national power of a country but also the rightness of its claims.

From now on, Japan's economic diplomacy must be three-dimensional: The first is multilateral negotiations, as at the WTO; the second is Japan's stance on APEC [Asian Pacific Economic Cooperation] and EAEC [East Asia Economic Caucus] and others; the third is bilateral relations — first of all, what Japan is going to do about Japan-U.S. relations.

A Japan-U.S. Free Trade Agreement as a Setup for the Settlement of Disputes Therefore, I would like to propose a "Japan-U.S. free trade agreement." Although Japan is placed in a situation where it must conduct three-dimensional diplomacy, it is in an awkward position where it must make an unproductive choice between the United States and Asia — a choice between two moods: put the U.S. first or try Asia if the U.S. is no good. The reason I propose a Japan-U.S. trade agreement in the middle of this is that I would like to make a concrete framework for a choice of "both the United States and Asia." To further promote trade relations between Japan and the United States, Japan should take a step toward new trade and expansion of investment and participate in the concept of a region whose purpose is to link Asia to the United States, not to make Asia an anti-U.S. region. This is a well-balanced course for Japan to pursue.

The next important point is that the Office of the U.S. Trade Representative has become more and more a place to which individual industries and enterprises appeal, dwarfing the agenda of trade negotiations between Japan and the United States. The sight of Trade Representative Kantor holding a news conference with a cellular phone in hand is symbolic of a minister-level official being involved in a dwarfish, individual agenda and giving tit for tat.

In short, from now on, an unlimited number of grievances will crop up, like the Kodak film issue. Therefore, the key phrase is a "setup for the settlement of disputes." A free trade agreement may convey no meaning, but the strongest point of the agreement is that it provides a setup for the settlement of disputes.

The beauty of the U.S.-Canada Free Trade Treaty as well as NAFTA [North America Free Trade Agreement] is that both have setups for settling disputes. The United States has now begun to propose the same thing to the EU. The Japanese should actively propose the same thing, leading to objective settlement of individual disputes between Japan and the United States.

If Japan and the United States do not intend to file every future complaint with the WTO, they should establish a third organ to settle disputes between them, one that includes informed and experienced people of the two countries as well as specialists from a third country. They should ask the third organ to present plans that can earn the two countries' highest regard. Such a setup can prevent ministers from becoming representatives of individual industries and enterprises and also prevent them from being too involved in a dwarfish agenda of unclear significance to overall bilateral relations.

To establish a setup for the settlement of disputes, I have proposed a free-trade agreement, but the name does not matter. What is important is a process that leads to a new setup in the midst of discussion.

There Is No Longer Any Option in the WTO Age

However, there may be some objections to my proposal.

First of all, some will contend that the United States will not accept the proposal. The gist of their argument is that a free trade agreement has no merit because the greatest concerns of the United States are Japan's nontariff barriers and trade practices. Such an agreement was originally proposed by the United States in 1987 by U.S. Ambassador Mansfield. However, the plan did not progress because the United States had no trade agreement with its neighboring country, Canada. With the conclusion of the U.S.-Canada Free Trade Agreement in 1989 and NAFTA in 1994, the groundwork has been laid. A similar agreement will give Japan not only a chance to explain the openness of its system, but also an opportunity to further its openness.

There may be an objection to the proposal from the standpoint of Japan's agriculture. I would like to tell objectors that the conclusion of a free trade agreement for the agricultural sector is impossible, with the agricultural sector in such an excited condition. A free trade agreement should not be applied to sectors that cannot be liberalized. And sectors that cannot be opened to the world and that are uncompetitive should be made known to the whole world.

Some people may object that reverting to bilateralism is absurd in an age of multilateralism. I want these critics to recall the three-dimensional diplomacy I mentioned above. I am proposing that building a model of free trade by Japan and the United States that attains full economic maturity will be a great step toward liberalizing the whole Asia-Pacific region. For example, if it had not been for the U.S.-Canada Free Trade Treaty, there would not have been NAFTA; without NAFTA, there would be no free trade agreement of American States [as published]. If a free trade agreement is concluded between Japan and the United States, it will pave the way for the future APEC.

More than anything else, we should reconsider a free trade agreement as a setup for the settlement of disputes, although such an agreement may seem absurd at a glance. Moreover, the proposal for an agreement will help negotiators get out of the practice of dealing with minor agenda just to protect the interests of individual industries, and will prompt them to turn their attention to more positive discussions. In the circumstances, Japan, facing unreasonable demands by the United States one after another, may find them unbearable and decide to retaliate. Such a mood is coming over Japan.

Since some European countries and Canada said that the U.S. stance on auto parts is unreasonable, Japan expected their support. To them, however, auto parts are just one item on the agenda at the WTO. The fact that Japan is a highly regulated country will surely be made a big issue by the United States. For this reason, we must discuss the issue from a broad perspective.

Japan should not send negotiators to the WTO to guard the domain of a particular ministry. Postwar Japan has produced a large number of capable men who have been educated abroad and who know the present situation of private enterprise. Japan should carefully choose from all industries men of wisdom and intellect whom it can take pride in and send them to the WTO, the place for future multilateral negotiations; otherwise Japan cannot survive the age of the WTO. Since Japan has decided to go along with the WTO, it must make every effort.

We cannot get along in this age just by repeating absentmindedly, "The Japan-U.S. relationship is important." We need to retrain and strengthen the current setup. Japan should actively bring forward a new issue. Through Japan's proposal for a new free trade agreement, an ideal state of Japan-U.S. relations will become visible, although it may require colossal effort. I think the probability of success is very great if only Japan has the will to try it.

Investment Accord With U.S. Discussed

OW1906085995 Tokyo YOMIURI SHIMBUN in Japanese 17 Jun 95 Morning Edition p 3

[FBIS Translated Text] On 16 June, the Ministry of International Trade and Industry [MITI] officially announced that the Japanese and U.S. Governments have virtually come to an agreement in negotiations on investment under the Japan-U.S. economic framework talks. Agreement has been reached in 15 areas, including a preferential tax system for foreign firms and investment deregulations. Taking into consideration the U.S. assertion that comparatively high land prices and the closed-nature of the labor market in Japan are obstacles to foreign companies' investment, the agreement stipulates the promotion of land policies and the simplification of procedures for permitting and renewing business concerning a free-charging employment exchange.

The agreement specifies that Japan Development Bank loans will be flexibly applied to foreign firms' merger and acquisition (M & A) of Japanese firms. In addition, regarding a law designed to promote import and domestic investment, which applies a preferential tax system to domestic investment, the agreement proposes extending the law's term and enriching its substance.

Implementation of Halifax Declaration Urged

OW2006075895 Tokyo YOMIURI SHIMBUN in Japanese 18 Jun 95 Morning Edition p 3

[Editorial: "Can the G-7 Leaders Put the 'Declaration' Into Action?"]

[FBIS Translated Text] An economic declaration has been adopted at the meeting of the Group of Seven [G-7] industrialized nations held in Halifax, Canada. With Canada hosting the summit this year, all the G-7 nations have now hosted the summit three times. The next summit will enter the fourth round of G-7 meetings, which will stretch into the 21st century.

The declaration spelled out specific measures to strengthen the IMF's role, mentioned for the first time in four years the need for policy coordination to stabilize foreign exchange markets, and called for expansion of free trade under the World Trade Organization (WTO). The declaration also said that before the next summit meeting, G-7 leaders will consider how best to reform UN organizations and deal with the unemployment problem.

It is generally thought that the G-7 leaders have agreed to tackle those common problems jointly. However, most of what they have agreed on was worked out in advance at ministerial talks and working-level consultations. It is difficult to say if any actual initiatives by the G-7 leaders are indicated in the declaration.

As for reform of the international monetary system, the G-7 leaders failed to promise to study medium- and long-term issues such as how the current floating exchange rate system can be turned into a more stable one.

On the evening of 16 June, soon after the G-7 economic declaration was announced, the New York foreign exchange market hardly reacted to the declaration, because people concerned with the market judged that the declaration's contents differed only slightly from the "draft declaration worked out by working-level officials" leaked to the press before the summit.

To respond to such criticism, the G-7 leaders need to take the lead in taking action on their agreements in the economic declaration.

In particular, Japanese and U.S. leaders bear a heavy responsibility for promoting policy coordination to stabilize foreign exchange markets and for expanding free trade. Those two tasks are main points in the economic declaration, in addition to strengthening the IMF's role.

Fundamental factors that have destabilized global currency markets, particularly the yen-dollar rate, are Japan's huge trade surplus and the twin deficits— fiscal and trade — of the United States. The two countries soon have to come up with drastic measures to reduce them.

Although Japan announced in April an emergency yen-curbing package, including measures to expand domestic demands, it has so far failed to reduce the surplus and stabilize the foreign exchange market.

To prevent business from declining, the government will soon work out emergency economic measures, including a second supplementary budget and stabilization of the monetary system. The prime minister's leadership will be tested in putting together the economic package as well as applying the April yen-curbing package.

The U.S. Government has announced a budget-balancing plan designed to eliminate its deficit by 2005. To that end, it has to touch on health insurance reform and education spending cuts. With the presidential election scheduled for next year, the U.S. President needs to have the courage to adopt unpopular policies.

A concern in the expansion of free trade is the Japan-U.S. dispute over automobiles and auto parts.

The G-7 economic declaration calls for "fully complying with the WTO agreements and resisting protectionism." However, the United States intends to take unilateral retaliatory actions, prohibited by the WTO, if the two countries fail to resolve the auto dispute by 28 June. There is a good chance that the WTO, which has just been inaugurated, may find itself in a crisis because of intensifying Japan-U.S. friction.

For Japan and the United States to reach an agreement over the auto issue, a bold decision by the leaders of the two countries is needed. If sanctions are put into effect without a decision, the economic declaration will prove to be nothing more than flowery words, lacking any initiative by the G-7 leaders. (18

Tokyo-Moscow Relations Growing 'Colder'

OW2006081595 Tokyo NIHON KEIZAI SHIMBUN in Japanese 19 Jun 95 Morning Edition p 2

[By Kazuhiko Sasaki]

[FBIS Translated Text] Halifax, 17 Jun — The Halifax Summit, which closed 17 June, has come to symbolize current Japan-Russia relations, which have grown colder. Despite the fact that other G-7 nations actively exchanged diplomatic talks, Japan and Russia did not hold either summit talks between Prime Minister Murayama and President Yeltsin or a foreign ministers meeting on the grounds that "it is substantially meaningless" to do so. During a summit session, Prime Minister Murayama and Foreign Minister Kono repeatedly expressed concern over the Chechen situation and stressed the existence of the northern territorial issue, exchanging sharp debates with the Russian representatives. Although the prime minister and the foreign minister appealed for Japan's position with the coming upper house election in July in mind, it seems Japan's diplomacy toward Russia has come to further deadlock at the Halifax Summit.

"The Russian forces' actions in Chechnya runs counter to the Russian Government's reform line" (as stated by Foreign Minister Kono). Japan's announcement of its concern over the Chechen situation in the summit drew attention of other G-7 member nations. In his talks with UK Foreign Minister Hurd on 16 June, Kono said in a sharp tone: "Judging from its moves in Asia, we feel Russia tends to exercise its influence as a superpower." In response, while agreeing with Japan's position on the Chechen issue, Foreign Minister Hurd said: "It is important for the world that Japan-Russia relations go well."

At a session on political affairs joined by President Yeltsin, in response to Yeltsin's remarks regarding (Dudaev) forces taking hostages as "an international terrorist act," the prime minister made counter argument without hesitation, saying: "The Chechen issue has made us concerned over the fate of Russia's reform."

Japan maintains its position that: "Japan's relations with Russia will not progress unless Russia's reform line becomes clear." Meanwhile, in the face of a parliamentary election in December, President Yeltsin "did not want to give the impression that he has a weak diplomatic position." In this way, it is unavoidable that Japan-Russia relations, willingly or unwillingly, "will grow apart" (according to a source accompanying Prime Minister Murayama).

However, like European nations and the United States, Japan is concerned that "it will get the president into a tight corner, and there is the possibility that conservatives in Russia will come to the front." In this sense, Japan refrained from chasing too far the president over the Chechen issue and his reform policy. After all, taking President Yeltsin's position into consideration, the G-7 nations did not incorporate the Chechen issue into a presidential statement, thus failing to indicate a clear-cut position on the situation.

Core Members of UN Security Council Discussed

OW1906104295 Tokyo KYODO in English
1000 GMT 19 Jun 95

[FBIS Transcribed Text] Tokyo, June 19 KYODO — The number of permanent members of the UN Security Council should be increased by no more than five, a private international working group looking into reform of the world body says in a report released in Tokyo on Monday [19 June].

The report, released by former Foreign Minister Koji Kakizawa, a House of Representatives member from Japan's dominant ruling coalition partner Liberal Democratic Party, also proposes an increase in the number of countries in the Security Council from the present 15 to 23.

Japan, France, Germany and the United States are among countries represented in the group, chaired by former German President Richard von Weizsaecker. The report was prepared for presentation to UN Secretary General Butrus Butrus-Ghali.

The five current permanent council member nations are Britain, China, France, the U.S. and Russia, which are also the world's five declared nuclear powers.

The report also recommends the establishment of a rapid deployment force at the permanent disposal of the Security Council to deal with possible emergency situations.

It also calls for the UN Economic and Social Council to be split into two new councils, each with about 23 member countries, to deal separately with the world's economic and social problems.

The economic council would deal with such issues as finance and development, and the social council would tackle issues such as the environment, population and human rights, the report says.

Japan is one of several countries seeking a permanent seat on a restructured Security Council.

APEC 'Partners for Progress' Plan Shelved

OW2006093795 Tokyo KYODO in English
0846 GMT 20 Jun 95

[By Siti Rahil Dollah]

[FBIS Transcribed Text] Singapore, June 20 KYODO — The Japanese Government has shelved its "partners for progress" (PFP) plan to use the Asia-Pacific Economic Cooperation (APEC) forum as a vehicle for mobilizing aid to the region's less developed economies, according to an internal APEC document obtained by KYODO NEWS SERVICE.

The document on economic and technical cooperation, which Japan, the current APEC chair, prepared for APEC senior officials to discuss in Sapporo, northern Japan, next month, skimmed over the proposal, reflecting its unpopularity among APEC's 18 member economies as well as in Japanese Government circles.

The plan proposes that APEC set up a PFP center to coordinate projects that would enable developed and less developed members to pool financial, human, natural and administrative resources to enhance cooperation in the region.

The latest four-page document only vaguely and briefly mentions that the PFP proposal may be considered by senior officials in Sapporo.

This effectively means that the plan has been shelved, much to the embarrassment of Japan, which proposed it at the APEC ministerial meeting in Indonesia last November, amid high hopes that it would be a landmark achievement at the APEC ministerial meeting and leaders' summit in Osaka later this year.

The PFP blueprint received a cautious and mixed response from APEC member economies when it was discussed at the group's senior official meeting in Fukuoka in February.

But developed member economies, including the United States, are worried that the PFP might turn APEC into an aid organ for traditional aid programs, such as Official Development Assistance (ODA) provided by Japan to developing countries.

The developed members are reluctant to fork out money under the PFP. They feel that if they are to extend financial assistance to developing economies, the money should not be treated solely as a donation but should hasten trade and investment liberalization and facilitation in APEC.

They are also worried that the plan will detract APEC from its more important goal of achieving free trade in the region by 2020.

On the other hand, the less developed member economies are eager for more financial handouts but are unsure whether they will be getting additional ODA from Tokyo under the PFP plan.

The lukewarm response to the plan has put Japan in a quandary, and it is politically sensitive for the nation to withdraw the scheme completely following its inclusion in the APEC economic ministers' joint statement in Indonesia last year.

As a face-saving gesture, the latest document on economic and technical cooperation for the Sapporo meeting merely reads that the PFP "will be appropriately integrated into the action agenda after the discussion at the July senior official meeting."

The leaders are expected to adopt an "action agenda" to implement APEC's trade and investment liberalization and facilitation during the Osaka meeting Nov. 19.

Japan's foreign ministry sources say the PFP idea originally came from the Economic Cooperation Bureau, a department that handles ODA.

Although the bureau sold the idea to Foreign Minister Yohei Kono last year, officials at the Foreign Ministry and the Ministry of International Trade and Industry are generally critical of the PFP.

The bureau's aim was to use the plan as a means to increase its ODA budget, which has been shrinking in parallel to the falling number of ODA recipient countries amid their economic progress.

It sees the PFP as a new form of ODA to help Japan maintain donor-recipient relations with developing economies in the region and to continue to gain political and economic leverage with these recipients.

Eco-Preservation Technology to Asia Discussed

OW2006091295 Tokyo NIHON KEIZAI SHIMBUN in Japanese 19 Jun 95 Morning Edition p 3

[FBIS Translated Text] It has been feared that the rapid increase of energy consumption in Asia might damage the regional environment. In this regard, the Ministry of International Trade and Industry [MITI] plans to support Asian nations' efforts to upgrade environmental preservation technology, starting the next fiscal year. In concrete terms, among the technologies to be transferred are technology to desulfurize petroleum and to retrieve and utilize methane gas, a by-product of coal mining. MITI will also study measures for indirectly preventing further environmental deterioration in Asian nations. Regulations on export of petroleum products will be eased so that Japanese petroleum products — refined with highly sophisticated technology for environmental preservation and energy conservation — can be exported.

According to a provisional estimate prepared by the International Energy Panel, led by Prof. Yasuhiko Torii of Keio University, under the Advisory Committtee for Energy, a MITI advisory council, by 2010 we will have to rely on Middle Eastern crude oil, containing a large amount of sulfur, for about 90 percent of the increased oil demand in Asia. MITI is concerned that Japan might suffer damage from acid rain caused by sulfur oxides discharged in China and other Asian nations. Therefore, the ministry plans to launch a full-scale transfer of technology, with the Petroleum Industry Revitalization Center playing the central role, starting in fiscal 1996.

MITI also plans to transfer various technologies, for example a method for generating electric power using as fuel methane gas produced during coal mining and also a way of collecting the gas instead of releasing it. The greenhouse effect produced by methane gas is said to be 20 times that produced by carbon dioxide.

Export of petroleum products is subject to regulations stipulated in the Exchange Control Law and the Export Trade Control Ordinance, but MITI hopes to have these conditions eased by April 1996. Since it takes considerable time to transfer technology, the ministry has decided it will be necessary to export Japanese petroleum products that will not cause deterioration of the environment.

MITI To Support Asian Energy Supply Efforts

OW1906143095 Tokyo NIHON KEIZAI SHIMBUN in Japanese 14 Jun 95 Evening Edition p 1

[FBIS Translated Text] The Ministry of International Trade and Industry [MITI] plans to support Japanese firms in helping Asian countries stabilize their energy supplies in view of the expected doubling of Asia's energy needs by 2010. The ministry plans to encourage Japanese power and gas companies, which possess advanced technology, to advance into these countries by establishing subsidiaries there. The companies will then provide equipment and know-how to various countries by participating in energy-related projects there. MITI also plans to facilitate Japanese firms' advance into Asian countries by broadening the scope of preferential loan programs by the Export-Import Bank of Japan [EIBJ]. In July, MITI plans to set up a subdivision under the International Energy Subcommittee, which is under the Advisory Committee for Energy (an advisory panel to the MITI minister). MITI plans to have subdivision members hold discussions with officials from related industries and draw up relevant policies within the year.

Specifically, MITI plans to draw up within the year guidelines that will stipulate the ratio of investment by Japanese power and gas companies into businesses overseas when advancing into Asian markets, restrictions on the amount of investment, and the scope of guarantee of obligation by the parent company. The reason for adopting the method of setting up subsidiaries is to minimize possible adverse effects on the parent company's business should the highly risky overseas business operations turn out unsuccessful.

To encourage private enterprises' advance into Asian markets, MITI plans to broaden the scope of the EIBJ's energy-related preferential loan programs so that the programs will be applicable to projects involving power distribution facilities and medium and small gas fields that provide service to local areas. MITI believes that inefficient use of energy in Asian countries also accounts for the sharp increase in demand there for oil and other energy sources. The ministry has also determined that it is necessary to promptly make preparations so that Japanese power companies, which possess advanced technology regarding the management of power stations and construction of power distribution networks that cover wide areas, and gas companies, which possess technology to generate electricity using natural gas, can participate in the construction of power stations in Asia. Although Japanese power companies and other firms currently do not have any concrete plans, MITI hopes its latest plans will help encourage Japanese firms to look into these possibilities.

China and ASEAN member nations have voiced concerns that failing to improve their energy supply system could hinder their economic growth. However, these countries do not have sufficient funds to carry out projects to build their energy-related infrastructures, the costs of which are expected to exceed $1 trillion by 2010. Therefore, preparations are being made to utilize private capital through such methods as the BOT [Build, Operate, and Transfer] system (in which foreign investors transfer business to local administration after recovering their invested funds through initial business operations).

Southern California, a securities company holding shares in the electric power industry, has advanced into Asian markets by setting up subsidiaries for overseas operations. Overseas Chinese investors have also actively invested in energy-related facilities. Among Japanese firms, Tokyo Gas Co., Ltd. and Mitsui & Co., Ltd. have advanced into the city gas business in Kuala Lumpur by jointly setting up a local subsidiary in Malaysia.

MITI also plans to encourage power companies to advance into overseas markets by using Tokyo Gas Co.'s gas venture in Kuala Lumpur as a model case. So far, Japanese power companies have held reservations about advancing into overseas markets because the electric power industry is a public service and, unlike the gas industry, huge amounts of investment capital are required.

Tokyo, Beijing To Cooperate in Multimedia Tests

OW1906152995 Tokyo KYODO in English
1353 GMT 19 Jun 95

[FBIS Transcribed Text] Beijing, June 19 KYODO — Japan and China agreed Monday [19 June] to cooperate in conducting multimedia experiments, Japan's telecom Minister Shun Oide told reporters.

The accord was made at one-day regular Sino-Japanese posts and telecommunications consultations between Oide and his Chinese counterpart Wu Jichuan, Oide said at a news conference.

Posts and Telecommunications Minister Oide also said the two countries confirmed bilateral collaboration in improving the Asian information infrastructure as endorsed by the Japanese ministry.

Moreover, Japan invited Chinese experts to the Kansai Culture, Academy and Research City in western Japan, where experiment with multimedia equipment is to be carried out, he said.

Japan will also consider helping China expand a telecom training center in Beijing and exchanging researchers between the two countries' telecom ministries, Oide said.

Tokyo, Beijing Agree to Educational Exchanges

OW1906152295 Tokyo KYODO in English
1414 GMT 19 Jun 95

[FBIS Transcribed Text] Beijing, June 19 KYODO — Japanese and Chinese education ministers met Monday [19 June] in Beijing and agreed to further promote bilateral educational exchanges over the next five years, Japanese officials said.

Japanese Education Minister Kaoru Yosano and Chinese State Education Commission chief Zhu Kaixuan agreed to increase the number of Japanese students studying in China on the state coffers from the current 80 annually to 100 by the year 2000, the officials said.

They also pledged to mutually dispatch education officials, encourage academic exchanges and promote the learning of each other's language, they said.

MPT To Aid NGO's Via Volunteer Savings

OW1306082095 Tokyo KYODO in English 0759 GMT 13 Jun 95

[FBIS Transcribed Text] Tokyo, June 13 KYODO — The Posts and Telecommunications Ministry [MPT] will donate 2,810.74 million yen to 235 nongovernmental organizations (NGOs) in 61 countries through "international volunteer savings" in fiscal 1995, up 19 percent over the previous year, officials said Tuesday [13 June].

The amount is the largest since the ministry launched the saving system in January 1991 to contribute to international volunteer activities, the officials said. It will be applied to 305 programs including those to help refugees and residents in slums in Myanmar and Rwanda.

The system donates 20 percent of the interest on ordinary savings to NGOs.

Greece Awarded Emergency Earthquake Aid

OW1906084595 Tokyo KYODO in English 0810 GMT 19 Jun 95

[FBIS Transcribed Text] Tokyo, June 19 KYODO — Japan will extend to Greece emergency relief goods worth 10 million yen to help the victims of a powerful earthquake that hit southwest Greece last week, the Foreign Ministry said Monday [19 June].

The Japanese aid, consisting of such goods as tents, blankets, water purifiers and soap, will be extended through the Japan International Cooperation Agency (JICA), the ministry said.

The earthquake hit region, a port town in southwest Greece last Thursday, killing at least 22 people and injuring more than 70.

Foreign Minister Yohei Kono sent a message to Greek Foreign Minister Karolos Papoulias last Friday to tell Greece Japan is ready to offer aid.

Ministry Licenses Singapore Brokerage House

OW1606091795 Tokyo KYODO in English 0256 GMT 16 Jun 95

[FBIS Transcribed Text] Tokyo, June 16 KYODO — The Finance Ministry said Friday [16 June] it has issued a license to Singaporean brokerage house Sassoon Securities Japan Ltd. to engage in securities business in Japan.

The Japan unit of the Singaporean securities company will be authorized to sell or buy securities in its own accounts, while acting as brokers in helping customers buy or sell securities in Japan, ministry officials said. Sassoon has become the first Singaporean brokerage house to obtain ministry authorization to do securities business in Japan, they added.

Indonesian Firm To Receive Dollar-Based Credit

OW1606115195 Tokyo KYODO in English 1033 GMT 16 Jun 95

[FBIS Transcribed Text] Tokyo, June 16 KYODO — The Export-Import Bank of Japan on Friday [16 June] signed a contract to provide 150 million dollars in dollar-based buyer's credit to Indonesia's state-run oil and gas corporation Pertamina, the government-funded bank said.

The bank said it has agreed to extend the dollar-based credit for the first time in response to a strong request from the Indonesian corporation to ease the country's debt service costs.

The credit will be provided jointly with five other commercial banks, including Tokai Bank and Sakura Bank, it said.

The fund will be used to modernize the corporation's oil refining facilities, the bank said.

Survey Shows 0.7 Percent GDP Gain Jan-Mar

OW2006005195 Tokyo KYODO in English 0032 GMT 20 Jun 95

[FBIS Transcribed Text] Tokyo, June 20 KYODO — Analysts at 18 major private-sector think tanks believe Japan's gross domestic product (GDP) grew by an average 0.7 percent in real terms in the January-March quarter from the preceding three-month period, a KYODO news survey showed Tuesday [20 June].

The key economic growth figure for the first quarter is scheduled to be released by the economic planning agency at 3:30 PM. Tuesday.

Their forecasts of annualized GDP growth in the quarter range from a contraction by 1.2 percent to an expansion by 3.0 percent, according to the KYODO poll, respondents of which included the Nomura Research Institute and the Nikko Research Center.

The nation's GDP shrank 0.9 percent in the October-December quarter for an annualized pace of a 3.4 percent drop, due chiefly to a sharp decline in consumer spending along with sluggish housing starts and corporate investment.

"The Japanese economy has been in a slump through the current quarter from the last quarter of last year," said an analyst at CS First Boston (Japan) Ltd., pointing to a high possibility the economy will post a second straight quarter-to-quarter decline.

Many analysts said the economy appears to have turned to the plus side because of steady capital spending and higher industrial output, together with a reactionary move to minus growth in the preceding quarter, the poll said.

But an economist at the Daiwa Research Institute noted that the deadly Jan. 17 earthquake in Kobe and its environs is having an adverse impact on personal spending.

"Steady housing starts in the private sector and emergency expenditures in the quake-damaged areas are having limited effects on the GDP figures," the Daiwa economist said.

The CS First Boston analyst said, "the yen's sharp advance against the dollar is resulting in an increase in imports, while reducing exports, with net external factors having a negative effect on GDP growth."

An analyst at UBS Phillips and Drew International Ltd. said, "the Japanese economy is on the verge of slipping into the minus column in nominal terms for the first quarter for the first time in the postwar period because the strong yen is enhancing deflationary pressure and accelerating the shifting of assembly plants overseas."

"Unless the government works out effective stimulus measures and a package to help reduce bad loans, the GDP for all of 1995 will expand a tiny 0.9 percent," the UBS Phillips and Drew analyst said.

The following are GDP growth forecasts for the January-March at an annualized pace by the think tanks:

The Long-Term Credit Bank of Japan -1.2 pc [percent]; CS First Boston -0.8 pc; Daiwa Research Institute -0.8 pc; Nomura -0.2 pc; New Japan Securities Research Institute -0.1 pc; Salomon Brothers Asia Ltd. zero growth; Okasan Economic Research Institute 0.1 pc; Sakura Institute of Research 0.5 pc; S.G. Warburg Securities (Japan) Inc. 0.5 pc; Wako Research Institute of Economics 0.9 pc; Dai-Ichi Securities Co. 0.9 pc; Barclays de Zoete Wedd Securities Japan Ltd. 0.9 pc; Goldman Sachs (Japan) Ltd. 1.1 pc; Kankaku Securities Co. 1.3 pc; Nikko Research Center 1.6 pc; Money Market Service (MMS) 2.0 pc; Yamaichi Research Institute of Securities and Economics 3.0 pc; and J.P. Morgan Securities Asia Ltd. 3.0 pc.

Economic Agency Reports Slight Growth in GDP

OW2006105695 Tokyo KYODO in English
1027 GMT 20 Jun 95

[FBIS Transcribed Text] Tokyo, June 20 KYODO — Japan's real economic growth returned to the plus column in the January-March quarter, up 0.1 percent from the preceding three-month period, chiefly helped by continued increases in corporate capital spending, the Economic Planning Agency [EPA] said Tuesday [20 June].

The seasonally adjusted real growth in gross domestic product (GDP) was tiny, however, with an annualized growth rate of 0.3 percent because of sluggish private consumption after the Jan. 17 earthquake and the yen's appreciation, agency officials said.

As a result, Japan's real GDP for fiscal 1994 posted a 0.6 percent rise, failing to attain the government's already scaled-back growth forecast of 1.7 percent for the year which ended March 31.

The real GDP growth for the October-December quarter was revised downward to a minus 1.0 percent from minus 0.9 percent in a preliminary report, for an annualized growth of minus 3.9 percent, down from minus 3.4 percent, the agency said.

"The findings endorsed that Japan's economy has been on a moderate recovery trend for the January-March period, although there were some weak moves," said Tsutomu Tanaka, vice minister of the agency.

Despite some adverse effects of the yen's recent surge, the economy is expected to continue recovering moderately, Tanaka said.

Despite government optimism, economists took a less rosy view, saying that Japan's economy has scored virtual zero growth for three years running.

Japan's real GDP growth in fiscal 1993 was minus 0.2 percent and in 1992 was 0.3 percent.

Japan's real GDP during the first quarter of 1995 came to an annualized 421,012.7 billion yen.

The annualized 0.3 percent growth was lower than an average 0.7 percent gain forecast by 18 private institutions surveyed by KYODO NEWS SERVICE.

Of the nonannualized 0.1 percent rise for the January-March quarter, domestic demand accounted for 0.1 percentage point, while external demand was flat.

Corporate capital investment increased for the third quarter in a row, rising 0.6 percent from the previous three-month period, with steady gains for electrical machinery, the agency said.

Tanaka said a moderate recovery trend in capital spending has firmed on the back of improving corporate earnings.

Private consumption increased 0.1 percent, turning around a 0.6 percent fall in the October-December quarter.

Tanaka attributed the marginal growth in individual spending to the great Hanshin earthquake.

People refrained from buying clothing and luxuries, as well as from domestic tourism, notably in quake-hit western Japan areas, while demand for durable goods such as electronic appliances remained steady on a broad front, the agency officials said.

Housing investment remained at a high level, up 1.5 percent, while public investment fell for the second straight quarter, down 3.2 percent.

Public spending for fiscal 1994 marked a yearly 2.4 percent growth, further surpassing the already high levels of fiscal 1993, Tanaka said.

The government's final expenditures posted a 2.2 percent quarterly gain in the January-March period, mainly due to increased leasing and temporary housing for quake victims, the agency officials said.

external demand continued contracting, with exports of goods and services retreating to a marginal drop due to the strong yen, while imports rose only 0.2 percent.

The real gross national product (GNP), or GDP plus income from overseas, in the January-March quarter contracted 0.1 percent from the previous quarter, with an annualized fall of 0.2 percent, posting its second consecutive quarterly decline.

Tanaka said he does not expect the economy to stall. He reiterated that the economy seems to have continued a moderate recovery in the April-June quarter, saying recent economic data were not so bad.

In contrast to the still optimistic outlook of the agency, economists have a less rosy picture of the nation's economy.

Masaru Takagi, chief economist at the Fuji Research Institute, said the economy has apparently entered a retreating phase by June, citing tumbling stock prices and sluggish private consumption.

Takagi said the 0.1 percent real GDP rise for the first quarter of 1995 was "a backward-looking growth" because private inventory registered a similar 0.1 point growth.

Considering that the nominal 0.3 percent GDP growth for fiscal 1994 was lower than the real one, the nation's economy is stuck in a "deflation," not what the agency termed "dis-inflation," Takagi said.

The GDP deflator fell 0.8 percent for the January-March quarter from a year earlier, posting the third straight quarter of year-on-year decline.

Denying deflationary signs, Tanaka welcomed the recent downturn in prices.

Cheaper imports have pushed domestic prices down, effectively increasing people's income, while rationalization efforts by the manufacturing and distribution sectors have also been reflected in lower prices, Tanaka said.

Tanaka added, however, that sharp price drops might have adverse effects, dampening domestic competitiveness and causing employment insecurity, which will in turn affect private consumption.

Although expecting continued growth in capital spending and a recovery in individual consumption, Tanaka said it will not be easy to attain the government-forecasted real economic growth of 2.8 percent for fiscal 1995, which started April 1.

Hisashi Yamada, economist at the Japan Research Institute, said the economic situation is fairly severe, with both private consumption and public investment running out of steam.

The 3.2 percent decline in public investment was much bigger than earlier expected, fueling uncertainty over the economic outlook, Yamada said.

The economy is likely to retreat over the coming six months, Yamada said, chiefly because the effects of so-called "price busting," as well as the strong yen, are beginning to weigh on corporate earnings. ■

Takemura on New Stimulus Measure 'Toward Fall'

OW2006063495 Tokyo KYODO in English
1006 GMT 19 Jun 95

[FBIS Transcribed Text] Tokyo, June 19 KYODO — The government will decide whether to compile another pump-priming package after assessing overall economic conditions toward fall, Finance Minister Masayoshi Takemura said Monday [19 June], slightly backing down from an earlier remark by a top government spokesman.

The government should place an emphasis on early implementation of 45 trillion yen worth of public works projects earmarked under the fiscal 1995 original budget, Takemura told a press conference.

It also should focus on implementation of steps outlined in a yen-curbing package released in April, the finance minister said.

These actions are expected to have "significantly favorable effects" on Japan's slowing economic recovery, said Takemura.

The government should thus determine whether to formulate new stimulus measures after assessing the overall impact of the actions plus the first supplementary budget for this year compiled in May, Takemura said.

"In any case, we are prepared to use all possible fiscal and monetary measures to put the economy on a stable growth track," he said. "We will not avoid facing the reality of the economy."

But he refrained from a clear-cut commitment for taking a new set of pump-priming measures as made by Chief Cabinet Secretary Kozo Igarashi.

Igarashi said recently the government will write a new package after the Halifax summit of the group of seven industrialized countries that ended in the Canadian port city Saturday.

Takemura took a positive stance toward the use of deficit- financing bonds in an expected second extra budget for this year.

"Generally speaking, it is impossible for construction bonds alone to finance all necessary budgetary needs for the second extra budget," Takemura said.

"In view of the recent slow economic recovery which is expected to lead to smaller-than-expected tax revenues, issuance of deficit- covering bonds would not be avoidable," Takemura said.

Takemura was talking to reporters on his return home after attending the summit.

Takemura said he told U.S. Treasury Secretary Robert Rubin and other G-7 finance ministers in Halifax that Japan is prepared to take all necessary measures to prop up the flagging Japanese economy.

Takemura said he explained that the April yen-curbing package is producing intended effects on various economic fronts.

He also said the ratio of Japan's trade surplus against the overall gross domestic product has been declining steadily with an import rise overwhelming an export growth.

Takemura said no specific demand on Japan to stimulate its economy further came from his meeting with Rubin.

BOJ: Economy Recovering at Very Moderate Pace

OW2006104995 Tokyo KYODO in English
0956 GMT 20 Jun 95

[FBIS Transcribed Text] Tokyo, June 20 KYODO — The Bank of Japan (BOJ) reiterated in its monthly report on financial and economic developments issued Tuesday [20 June] that the Japanese economy is recovering but at a "very moderate" pace.

A BOJ official said, "at present, we are not in a position for worrying about the setback of the economy because capital spending and corporate earnings are firm."

"Economic recovery is under way in Japan. Its pace is, however, very moderate and businesses have become somewhat cautious about the economic outlook," the central bank said in the report.

"Behind the companies' cautiousness about the economic outlook is the slowed growth of exports," the official said.

The report said growth in real exports has slowed somewhat under the dual influences of a slowdown in U.S. economic growth and the yen's appreciation.

Effects of the U.S. economic slowdown can be seen in growing car inventories in the United States, he said. But he added the overall export environment has changed little due to backing by Asian and European economic growth.

The BOJ said personal consumption is gradually gaining strength with some fluctuations. The year-on-year drop in sales at department stores has become slower since February and sales at supermarkets have picked up to the previous year's level.

Plant and equipment investment has stopped declining, the central bank said. Machinery orders dropped in the first quarter of this year but increased considerably in April and are expected to expand somewhat in the second quarter, it said.

Asked about gross domestic product (GDP) figures for the January- March quarter, which were released earlier in the day, he said they fell within expectations. The economy grew 0.1 percent in real terms from the preceding quarter.

"What is encouraging are data indicating that capital spending is ready to enter a modest recovery phase," he said. According to the GDP data, such spending increased 0.6 percent from the previous quarter.

Queried about the fact that the GDP deflator for fiscal 1994 was in the minus column, he said, "we don't think the figure shows the economy is in deflation." Though prices have been falling, they have not yet pushed down wages and corporate earnings, he explained.

Murayama, Igarashi To Discuss Economy

OW2006093195 Tokyo KYODO in English 0910 GMT 20 Jun 95

[FBIS Transcribed Text] Tokyo, June 20 KYODO — Prime Minister Tomiichi Murayama will meet Chief Cabinet Secretary Kozo Igarashi on Tuesday [20 June] evening to discuss the shape of a fresh package of measures to bolster Japan's fitful economic recovery, Igarashi said.

Igarashi told a news conference that the government will start drawing up a new stimulus package Wednesday in anticipation of the premier's instructions.

He also said the government wants to announce the outline of the economy-spurring measures "either this week or next."

Murayama returned to Japan on Tuesday from a trip which took him to Halifax, Canada for the annual summit of the group of seven major economic powers, and then on to Paris for talks with French President Jacques Chirac and European Union (EU) leaders.

The move to assemble a new package comes amid the slowing economic recovery due partly to the yen's meteoric rise vis-a-vis the U.S. dollar.

The planned economic measures are expected to feature a large-scale, second supplementary budget for fiscal 1995, which began April 1.

Finance Minister Masayoshi Takemura said Monday the government should give priority to the early implementation of 45 trillion yen worth of public works projects earmarked under this fiscal year's original budget.

He also took a positive stance toward the use of deficit-financing bonds in the planned second extra budget.

Editorial Critical of New Economic Plan

OW1906132295 Tokyo ASAHI SHIMBUN in Japanese 16 Jun 95 Morning Edition p 5

[Editorial: "Go for Economic Reform Rather Than an Economic Plan"]

[FBIS Translated Text] An advisory panel has released an interim report on Japan's new economic plan, which will outline Japan's economic policy during a five-year period ending fiscal 2000. However, it is questionable if such a plan interests anybody under the prolonged economic slump.

Under such an economic situation, manipulation of figures in economic forecasts is not what we want. The government must carry out economic reform to achieve a breakthrough in the economic confusion caused by the burst of the bubble economy, the skyrocketing yen rate, and industrial hollowing out.

The former Miyazawa administration formulated the current economic plan, which is called the "livelihood superpower" plan. The plan is under review because it has already become impossible to achieve its target growth rate of 3.5 percent in the five-year period ending fiscal 1996.

Economic forecasting is the core of economic plans. However, the interim plan did not mention any definite figures. The government lowered its official target growth rate for fiscal 1995 to 2.8 percent in the end of last year; however, even the lowered target is becoming difficult to achieve. While the economic panel explained forecast figures will be incorporated in the final report, it is unrealistic to adhere to predictions of the economic growth rate of the nation five years hence.

The interim report proposes systematic reform of the Japanese economy, noting the present deadlock over Japan's economic situation is "caused by contradictions in existing systems, structures, and customs in economic fields."

As tangible measures for establishing an economic system opened to both domestic and international fronts, the report advocates "further promotion of deregulation and actions to correct cost- boosting structures," "deregulation and financial support to encourage venture businesses," and "development of a more flexible labor market." We support these proposals.

The interim report says the "government-led" economy protected by regulations and administrative guidances should be converted to the "private sector-led" economy run by market systems. If the government really means it, bureaucrats should be aware that governmental plans would not fit in with a private sector-led economy. As long as the government is serious about the economic conversion, conventional economic plans with quantitative goals would have no significance.

The new economic plan still has no name. The panel says the final report to be released in the fall will be released with a clear goal. However, it appears the "nameless" plan disclosed as an "interim report" symbolizes confusion in Japan's political and economic situation.

Previous economic plans, such as the Hatoyama administration's "economic independence five-year plan" and the Ikeda administration's "national income doubling plan", were good symbols of Japan under development when its dream was "quantitative growth."

However, the urgent task of today's Japan is to scrap outdated systems to build up new systems. In other words, we now need "qualitative reform."

We have to reexamine why deregulation never comes true. We must overcome bureaucrats' resistance to narrowing permission rights and egoism of industries under protection of government regulations. Conversion of the economic structure is painful work, and this cannot be carried out without strong leadership in politics. Plans without actions are nothing more than illusions.

Now that the Japanese economy is becoming global, preconditions of economic plans will be changed completely by the strong yen, for example. As we enter the current era, it may be difficult to draw up economic plans without adequate consideration for international economic trends.

An economic plan is a definition of the government's vision, and we are not going to totally deny its significance. Yet, the public would not support the new economic plan unless it is drawn under new concepts.

Bank of Tokyo Reports Increase in Money Supply

OW1906104395 Tokyo KYODO in English
0943 GMT 19 Jun 95

[FBIS Transcribed Text] Tokyo, May 19 KYODO — Japan's benchmark money supply — M2 plus certificates of deposit (CDs) — in May increased 3.3 percent from a year earlier, compared with a revised 3.2 percent rise in April, the Bank of Japan (BOJ) said Monday [19 June] in a preliminary report.

The average outstanding balance of M2, including cash, demand deposits and nonnegotiable time deposits, plus CDs stood at 534.7 trillion yen, the central bank said.

"We maintain the forecast that money supply will grow by the 3 percent level for the April-June quarter," said a BOJ official. "Money supply is continuing a moderate growth."

Cash in circulation increased 5.0 percent from a year earlier, following a 4.5 percent rise in April, while deposits rose 6.9 percent, following a 6.0 percent growth.

The year-on-year growth rate of quasi-money, such as time deposits, slowed to 1.8 percent from 2.2 percent because of a shift of funds to M1, including ordinary deposits.

Because a decline in interest rates made time deposits less attractive than before, funds are flowing from time deposits to ordinary or savings deposits, he said.

CDs jumped 21.4 percent, following a 10.0 percent rise, in contrast to the fact that commercial banks refrained from issuing CDs in May last year due to falling interest rates, he said.

The widest measure of money supply, broad liquidity, grew 4.0 percent to 1,069.6 trillion yen, compared with a preliminary 3.9 percent increase in April.

The broad liquidity includes M3 (M2 plus postal savings, credit association deposits, loan trusts and money trusts) along with CDs, outstanding repurchase-pledged bonds, bank debentures, government bonds and investment trusts.

Banks Experience Boom in Savings Deposits

OW2006084995 Tokyo KYODO in English
0736 GMT 20 Jun 95

[FBIS Transcribed Text] Tokyo, June 20 KYODO — Japanese commercial banks are experiencing a boom in savings deposits, which can be withdrawn without advance notice and offer a marginally higher interest rate than demand deposits, banking sources said Tuesday [20 June].

The outstanding balance of savings deposits at six major commercial banks as of may 31 was estimated at 1.25 trillion yen, up 12 percent from a month earlier, the sources said.

They attributed the boom to the widespread tendency among the public to leave surplus funds in savings deposits accounts in the hope that interest rates may rise from the current very low levels.

The savings deposit account was introduced in 1992.

Unlike the demand deposit account, it cannot be used to receive salaries and bonuses or to pay public utility charges but offers a slightly higher interest rate.

The Dai-Ichi Kangyo Bank posted an increase of 56 billion yen in its savings deposits in may, the largest among the six banks, the sources said.

At the bank, interest rates on savings deposits are offered in five stages commensurate with the amount of deposit.

The interest rate on savings deposits of between 300,000 yen and 500,000 yen is a mere 0.90 percent, though this is six times higher than the rate on demand deposits.

Deposits of 500,000 yen or more have an interest rate of 0.95 percent, the same as that on one-year "super" time deposits of up to 3 million yen.

Leaders Disagree on Loan Write-Off Plan

OW2006052295 Tokyo KYODO in English 0358 GMT 20 Jun 95

[FBIS Transcribed Text] Tokyo, June 20 KYODO — Some disagreement emerged Tuesday among leaders of the Liberal Democratic Party (LDP) over a government proposal to use public funds to help financial institutions write off their bad loans, LDP officials said.

Shigeru Kasuya, leader of the LDP Organization and Publicity Headquarters, expressed reservations over the proposal at a meeting of party executives, saying it has stirred doubts among the public, the officials said.

Hiroshi Mitsuzuka, leader of the party's Political Reforms Headquarters, was quoted as saying responsibilities of companies and the business community should be clarified for the problem of bad loans before the use of public funds is considered.

Kabun Muto, chairman of the LDP Executive Council, told the meeting that tax reforms should be considered to lighten corporate loan burdens before public funds are introduced to assist in bad-loan disposals.

However, LDP Secretary General Yoshiro Mori and Koichi Kato, the party's Policy Affairs Research Council chairman, suggested that efforts should be expedited to dispose of bad loans, saying they are impeding national economic recovery, the party officials said.

Firms Introducing New Hot Coil Technology

OW2006111195 Tokyo ASAHI SHIMBUN in Japanese 17 Jun 95 Morning Edition p 12

[FBIS Translated Text] Major steel producers, aiming to improve productivity, are introducing new technology capable of continuously performing the hot rolling process for production of thin hot coils. Although the continuous-cycle casting process is in common use, the continuous hot rolling process is the first in the world.

Kawasaki Steel Corp. will spend about 12 billion yen to introduce a continuous hot rolling facility. It will be a main point of Kawasaki's large-scale facility renewal project, which is being promoted at Chiba Ironworks. Construction of the facility will start in July, and the new facility will start operation next January. Nippon Steel Corp. has also decided to build a similar facility. It will aim to start operation in January of 1997, one year after Kawasaki, after first investing about 7 billion yen in Oita Ironworks.

Since hot coil is a base material for producing high-value-added products, including cold coil and surface treated steel sheet, it is urgent that Japanese steel companies reduce production costs to maintain competitive power in the international market. Because of this, companies that as yet have no plans to introduce the new technology are also highly interested in it.

Sumitomo Metal Industries, Ltd., has completed technological development and large-scale investment in plant and equipment at a seamless factory of Wakayama Ironworks that will reach its peak in fiscal 1996. Therefore, the company is in the stage of "making sure of the timing for introduction of the technology," according to its president, Tameaki Nakamura. NKK Corp. is also studying the possibility of introducing the technology at Fukuyama Ironworks and planning to complete the necessary technological development by the end of this year.

Existing hot roll production lines thin out sheets of iron called sheet bars, several centimeters thick, to produce steel plates with a thickness of three centimeters or less, one at a time. The new technology welds sheet bars together using electromagnetic induction, laser beams, or other means and continuously rolls sheet bars as if they were one bar. Using this method, the rolling speed is stable, and the thickness of the sheet bars remains uniform. Another merit of the new technology is that there is no need to cut off the edges of transformed sheet bars. It is said that companies can expect to boost productivity by about 20 percent.

Officer on Strategy of U.S. Defense Technology

OW1606104595 Tokyo BOEI GIJUTSU JANARU in Japanese May 95 pp 54-55

[Article by Air Self-Defense Force (ASDF) LTC Takeshi Shinji, assistant professor, Air Defense Studies Office, National Defense Academy]

[FBIS Translated Text] On 5 October 1994, the U.S. Department of Defense released the "National Defense Science and Technology Strategy." The core of this new strategy for weapons development was a shift of emphasis to military/civilian dual-use technology, in order to maintain the technological superiority of U.S. military technology, which is the world's most advanced.

In this strategy, the U.S. brought out the following policies in response to the trend of reduced defense spending following the end of the Cold War: 1) the establishment of technology that can be used by both the military and civilian sectors; 2) reduction of weapons systems prices through reduction of development costs; 3) increased introduction of civilian technology from foreign countries as a principle; 4) integrated promotion of cooperation between U.S. military material and civilian enterprises through such things as joint use of research facilities by the military and civilian sectors; 5) promotion of basic research; 6) continuation of military development of such things as nuclear and missile guidance technology; and 7) strengthened competitiveness of U.S. enterprises.

The new policy indicates that the U.S. military, which until now has embraced the defense industry and pursued expensive weapons development, will make a major change of course by greatly increasing imports of relatively inexpensive, high-technology products from foreign countries such as Japan. It is conceivable that this could have a great impact on Japanese companies. I believe two shocks have brought about this great change in the U.S. national defense science and technology strategy.

On the occasion of the Sputnik shock in 1957 when the Soviet Union launched the world's first satellite, the United States created NASA and the entire country undertook development of advanced technology to rival that of the Soviets. This resulted in the success of the Apollo program, the development of various weapons systems, and its position as "the world leader in military technology." A huge amount of government funds was invested in the defense industry, and because of spinoff—the effect that spread to private technology as a secondary result—U.S. science and technology in both the military and civilian sectors reached the world's highest level.

This policy of emphasis on military technology was turned around as a result of a report put together by the Defense Science and Technology Council and released in February 1987. It warned that the world market for semiconductors, called "the rice of industry," was monopolized by Japan, and that the U.S. weapons industry was becoming highly dependent on Japan, which was creating a dangerous situation for national security. Thus the Sputnik shock was followed by the Japan shock, with great reverberations in the U.S. Government and Congress. That was the occasion for the Defense Department's science and technology policy which, while continuing to emphasize military technology, is to begin repairing the tracks leading toward emphasis of general-purpose technology. Covering the period of the FSX controversy, the 1989 announcement of critical technology projects was followed by announcements in 1990, 1991 and 1992; the current announcement is the fifth.

The Clinton administration, waving the flag of economic recovery, is attempting to put the advanced technology of military industry to use in the people's lives, as in the past, and also to change the U.S. industrial structure from dependence on military demand to increased civilian demand. It is conceivable, however, that while seeking those objectives, the new strategy will also attempt to preserve the technical superiority of U.S. products in the world marketplace. It has been reported that the U.S. request for expansion of technology transfer was that the FSX wing technology be given free to multiple companies. Furthermore, as announced in the U.S. Defense Department transfer wish list of eight Japanese technologies, the move to request the transfer of such technology as liquid crystal displays, robotics, and fuzzy logic for military use could be part of this new strategy. I have the sense that this new strategy is likely to render even more decisive the U.S. shift from military to general technology. The U.S. Government is then likely to back this new strategy, which would have a great effect on our nation.

Mongolia

Mining Expansion, Metals Exports Examined

MS1606135895 London FINANCIAL TIMES in English 16 Jun 95 p 31

[Report by Kenneth Gooding: "Mongolia Plans To Dig For Victory"]

[FBIS Transcribed Text] Copper, gold and molybdenum are likely to provide the lifeline Mongolia will use to drag itself towards the international mainstream after being almost totally dependent on the Soviet Union for the 70 years to 1990.

The land-locked, central Asian republic produced about 120,000 tonnes of copper last year and plans to increase that by 10 to 20 per cent.

Its government also wants to boost gold production from a modest two tonnes to ten tonnes by 1998.

To this end, a new mining law was passed in January that permits full foreign ownership of mining ventures in Mongolia, including those involving precious metals. No longer are gold producers forced to sell to the Mongolian central bank at prices below the prevailing international price.

Until gold production increases, Mongolia will rely heavily on its premier copper and molybdenum producer Erdenet, a group 51 per cent owned by the state with the rest in the hands of the Russian Ministry of Geology.

Erdenet began mining in 1978 and today the company town is the third largest in Mongolia, with 80,000 inhabitants. The group has eight subsidiaries together employing 7,000. Until 1990 all its output which last year included 2,900 tonnes of molybdenum, a metal used for toughening metal alloys — went to the Soviet Union, which sent in return everything from food, clothing, oil and electricity to chewing gum.

Erdenet now exports copper and molybdenum concentrates, standard copper cathode and molybdenum oxide to 20 countries. Last year its copper exports accounted for 64 per cent of Mongolia's foreign earnings of US$324m [million].

Mr Damba Galsandorj, Erdenet's representative in London, says that this year demand from China is so great that the neighbouring republic will buy about 60 per cent of Mongolia's copper.

Erdenet sends about one third of its concentrates to the Balkhash smelter in Kazakhstan and much of the rest to Russian smelters in the Ural mountains for processing. But it is expanding its own copper-molybdenum capacity with help from Outokumpu, the Finnish metals group, which is taking molybdenum and molybdenum concentrate in payment.

Copper reserves are big enough for another 60 years and mine capacity is also being enlarged. The World Bank and other western institutions provided Mongolia with US$185m to help smooth the transition from a centrally planned to a market economy and some of this cash is being used to provide heavy trucks and modern equipment for the mines, as well as for railway maintenance and oil and lubricant deliveries.

Mr Galsandorj says Erdenet plans to increase quickly the ore mined from 20m tonnes a year to 27m tonnes. By the year 2005 output is expected to reach 30m tonnes. Last year Erdenet built, with Chinese help, an explosives production plant to cover all its requirements. Russia and South Korea will help to build a steel ball plant to reduce imports of these "consumables" needed by the mills.

Erdenet also intends to retreat its waste dumps, or tailings, using modern solvent-extraction, electro-winning technology to extract most of the remaining copper. This should produce 8,000 to 10,000 tonnes of copper a year, says Mr Galsandorj. Magma Copper of the US is providing technical help.

He says Erdenet hopes the Government will cut the group's tax payments, at present 40 per cent of its operating profit, to help pay for the expansion.

In the meantime, a big copper field is being explored with a US company that signed a joint venture agreement with Erdenet earlier this year. If this proves to be worth mining Erdenet may well build a small copper smelter — 50,000 to 80,000 tonnes a year capacity — and is even considering copper wire production. Finnish, Japanese and other western companies have made proposals about these plants but, says Mr Galsandoij, "this will take time".

Erdenet is increasing the efficiency of its copper and molybdenum operations with a 500,000 tonnes a year concentrates bagging facility at the mine. Nectar, an Anglo-Dutch shipping group, may build another close to the border with China.

Although Erdenet has no gold operations, Mr Galsandorj recently completed research for a book about Mongolia, intended to help business people as well as tourists, and he says about 50 mining companies are exploring for gold in the country. One deposit, Zaamar, with a resource of 100 tonnes of gold, is to be developed by a Mongolian-Russian joint venture. The government is having discussions with American and other western companies about another Boroo, with a resource of 42 tonnes of the precious metal.

North Korea

Kim Chong-il's 31st Anniversary at WPK Marked

National Meeting Held

*SK1906153295 Pyongyang KCNA in English
1525 GMT 19 Jun 95*

["National Meeting Marks Anniversary of Start of Comrade Kim Chong-il's Work at WPK Central Committee" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, June 19 (KCNA) — A national meeting was held at the February 8 House of Culture today 31 years since the great leader Comrade Kim Chong-il began working at the Central Committee of the Workers' Party of Korea (WPK).

It was attended by Politburo members including Premier Kang Song-san and Vice-President Yi Chong-ok and alternate Politburo members and secretaries of the WPK Central Committee and senior officials of party and government bodies.

Kim Yong-nam, Politburo member of the WPK Central Committee and vice-premier of the Administration Council, made a report at the meeting.

The reporter described the start of the great Comrade Kim Chong-il's leadership over the party affairs as a historic event of radical significance in the efforts to strengthen the WPK and carry to completion the chuche revolutionary cause.

The start of Comrade Kim Chong-il's work at the WPK Central Committee, the reporter added, was a great auspicious event in that the WPK and the Korean people could have another great leader, a great successor to the leader's cause, and have a bright future for party building and the chuche revolutionary cause.

The reporter quoted the great leader President Kim Il-song as saying:

"Under the leadership of Comrade Kim Chong-il, our revolution is in a new period of upswing. A new change has begun to take place in party work as well as the work in different fields of politics, economy and culture, and great innovations and upswing have been effected on all fronts of socialist construction since the start of the leadership of Comrade Kim Chong-il."

The reporter continued:

Ever since he began working at the WPK Central Committee, Comrade Kim Chong-il has performed great exploits in all spheres such as party building and activity, socialist construction, Armed Forces building, national reunification and the international revolution by guiding them in an extraordinary and tested way. The exploits will shine long with the century.

He formulated President Kim Il-song's revolutionary idea as an integral system of idea, theory and method of chuche and enriched it with new principles and contents. He propounded an outstanding idea and theory on modelling the whole society on the chuche idea and defined it as the supreme programme of the WPK, so that our party and people could exalt the president's revolutionary idea for all ages and confidently promote the socialist and communist cause under the banner of the chuche idea.

Comrade Kim Chong-il strengthened the WPK into a militant force with unprecedented organisation, ideology, leadership ability and relations with the masses, and set an example of revolutionary party building in the times. This is a distinguished achievement made by him in the course of leading the party affairs.

His outstanding and tested guidance has resulted in a heyday in creation and construction in Korea.

With both literary and military accomplishments, he has wisely led the building of revolutionary Armed Forces and brought about radical changes.

Thanks to his brilliant achievements in Army building and his outstanding wisdom, we have unreservedly demonstrated our invincible strength these years in the political and military confrontation without a gun report with the imperialists hell bent on isolating and stifling the DPRK.

Comrade Kim Chong-il has energetically worked for national reunification and made an immortal contribution to global independence.

Comrade Kim Chong-il is a great father gifted with affection for the people. He has devoted everything to the noble cause for the people and showed great favours for their happiness.

With unfailing loyalty to the party and the revolution and warm affection for the people, he has victoriously led the WPK for more than 30 years. In the days after the biggest misfortune of the Korean nation ever in their history of five thousand years, his outstanding leadership continued and he carried forward the leader's cause with a loyal heart. This has ensured the victorious advance of the chuche revolutionary cause.

The Korean revolution is in a new period of historic changes. Our party and people are faced with a heavy yet honorable task to complete the chuche revolutionary cause started and led by Comrade Kim Il-song.

What is most important in completing the chuche socialist cause, true to the behests of Comrade Kim Il-song, is to uphold Comrade Kim Chong-il with a single heart of loyalty and filial piety.

Leaders at Central Report Meeting

SK2006010895 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 19 Jun 95

[FBIS Translated Excerpt] A central report meeting marking the 31st anniversary of when Comrade Kim Chong-il, the great leader [yongdoja] of our party and our people, started work at the Workers Party of Korea [WPK] Central Committee, was held on 19 June at the 8 February Cultural Center. [passage omitted]

Members and alternate members of the WPK Central Committee in Pyongyang; deputies of the Supreme People's Assembly [SPA]; responsible functionaries and party functionaries of the party and power organs, administrative and economic organs, people's armed forces and public security organs, social organizations, and central organs; functionaries in the field of science, education, culture and art, health, and press and publication; anti-Japanese revolutionary fighters; generals and soldiers of the Korean People's Army [KPA]; standard bearers of the three revolutions; and workers, participated in the meeting.

Comrade Kang Song-san, member of the Political Bureau of the WPK Central Committee and premier of the Administration Council; Comrade Yi Chong-ok, member of the Political Bureau of the WPK Central Committee and vice president; Comrade Kim Yong-nam, member of the Political Bureau of the WPK Central Committee and vice premier of the Administration Council; Comrade Choe Kwang, member of the Political Bureau of the WPK Central Committee and chief of the General Staff of the KPA; Comrades Kye Ung-tae and Chon

Pyong-ho, members of the Political Bureau of the WPK Central Committee and secretaries of the party Central Committee; Comrade Kim Chol-man, alternate member of the Political Bureau of the WPK Central Committee; Comrade Choe Tae-pok, alternate member of the Political Bureau of the WPK Central Committee and secretary of the party Central Committee; Comrades Choe Yong-nim and Hong Song-nam, alternate members of the Political Bureau of the WPK Central Committee and vice premiers of the Administration Council; Comrade Yang Hyong-sop, alternate member of the Political Bureau of the WPK Central Committee and chairman of the SPA; Comrade Hong Sok-hyong, alternate member of the Political Bureau of the WPK Central Committee and chairman of the State Planning Committee; Comrades Paek Hak-nim, Kim Kwang-chin, and Kim Ik-hyon, vice marshals of the KPA; Comrades Kim Ki-nam, Kim Kuk-tae, Kim Chung-nin, So Kwan-hui, and Kim Yong-sun, secretaries of the WPK Central Committee; Comrades Kim Hwan, Kim Pok-sin, Kim Yun-hyok, and Chang Chol, vice premiers of the Administration Council; Comrade Yun Ki-pok, chairman of the Economic Policy Commission of the Central People's Committee [CPC]; Comrade Pak Nam-ki, chairman of the Administrative and Economic Committee of Pyongyang; Comrade Chon Mun-sop, chairman of the State Inspection Committee of the CPC; responsible functionaries of the party and power organs, administrative and economic organs, armed forces organs, working organizations, and central organs and party responsible functionaries appeared at the rostrum.

The meeting started with the playing of the music of the national anthem. Comrade Kim Yong-nam, member of the Political Bureau of the WPK Central Committee and vice premier of the Administration Council, gave a commemorative report. [passage omitted]

Kim Yong-nam Addresses Meeting

SK1906110095 Pyongyang Korean Central Broadcasting Network in Korean 0703 GMT 19 Jun 95

[Speech by Kim Yong-nam, member of the Political Bureau of the Central Committee of the Workers Party of Korea (WPK) and vice premier of the Administration Council, at a central report meeting at the 8 February House of Culture marking the 31st anniversary of Kim Chong-il's beginning work at the WPK Central Committee — live]

[FBIS Translated Text] Comrades, 31 years of brilliant history have passed since Comrade Kim Chong-il, the great leader [yongdoja] of our party and people, began working at the party Central Committee, the supreme general staff of our revolution, and thus led the party work.

Deeply bearing in our minds the respected and beloved leader Comrade Kim Il-song's behests, all party members and working people who have accelerated the new historic march for the chuche revolutionary cause under the leadership of the great Comrade Kim Chong-il are shrouded in the greatest happiness of being blessed with the leader for generations, and are significantly marking the glorious day on which the respected and beloved general started working at the party Central Committee. [applause]

The historic path from the time the great leader Comrade Kim Chong-il led our party work until now has been a fruitful course in which a most brilliant era has unfolded in our party construction and on the glorious path on which the immortal achievements of the respected and beloved comrade supreme commander, who has done his utmost for the consolidation and development of our party and the succession and consummation of the chuche socialist cause, are inscribed. [applause]

Today, on which we observe the meaningful day marking the great leader Comrade Kim Chong-il's beginning work at the party Central Committee, all party members and working people recall the trails of remarkable guidance of the respected and beloved general over the party, and are filled with the national pride and dignity of upholding the great leader [yongdoja]. The fact that the great leader Comrade Kim Chong-il came to lead our party work is an epoch- making historic event in the struggle for the party's peaceful development and the inheritance and consummation of the chuche revolutionary cause. [applause]

Having the great leader [yongdoja] at the head of the party is a matter of life and death that is concerned with the destiny of the party and the future of the revolution. When the working class' party is headed by a true people's leader and a great leader, only then can it brilliantly complete to the end the revolutionary cause that continues for generations.

Our party and people have at the head of our party the great Comrade Kim Chong-il, a genius of ideology and leadership as well as a great reincarnation of loyalty who has waged excelled revolutionary activities from his early days, has helped the respected and beloved leader's [suryong] revolutionary works, and has cherished deep in his heart that completing to the end the chuche revolutionary cause pioneered by the great leader Comrade Kim Il-song is his lifetime mission. Thereby, our party and people are now enjoying the greatest glory and happiness of having brilliantly solved the fundamental question concerned with the destiny of the revolution. [applause]

Indeed, the beginning of the great Comrade Kim Chong-il's work with the party Central Committee was a great felicitous event in which our party and people came to greet the great successor, the great leader [yongdoja] who will brilliantly succeed the leader's [suryong] cause, and in which opened a bright future for party building and the chuche revolutionary cause. [applause]

The great leader Comrade Kim Il-song taught: Our revolution has entered a new stage of upsurge under Comrade Kim Chong-il's leadership. With the start of Comrade Kim Chong-il's leadership, fresh changes began to be made not only in party work but in activities in various sectors of politics, economics, and culture; great innovations and upsurges were effected in all fronts of socialist construction.

Since he began working with the party Central Committee, and by using his extraordinary and seasoned leadership, the great leader [yongdoja] Comrade Kim Chong-il has upheld the great leader's [suryongnim] revolutionary cause and has accumulated great achievements that will shine for centuries in all fields, such as party building, party activities, socialist construction, armed forces building, the fatherland's cause of reunification, and the international revolutionary cause. [applause]

With his extraordinary wisdom and energetic ideological and theoretical activities, he has prepared valuable ideological and theoretical assets for the ultimate completion of our revolution as well as enriched the treasure house of the chuche idea. This is one of the greatest achievements that the great leader Comrade Kim Chong-il has made while leading our party. [applause]

The great leader Comrade Kim Chong-il formulated the respected and beloved leader's [suryongnim] revolutionary ideas as a unitary system of chuche-based ideas, theories, and methods as well as enriched them by adding new principles and contents. He also elucidated outstanding ideas and theories on remodeling the entire society after the chuche idea and declared them as our party's supreme program, thus enabling our party and people to eternally glorify the respected and beloved leader's revolutionary ideas through generations and to confidently advance the socialist and communist cause under the banner of the chuche idea.

The respected and beloved Comrade Kim Chong-il, a great ideologist and theorist, has intensified and developed the chuche idea and has generally elucidated the theory of popular masses-oriented socialism in such classic works as "On the Chuche Idea," "Historic Lessons and the General Line of Our Party," "On the Fundamental Questions of Revolutionary Party Building," and "Socialism Is a Science," thus brightening the road of the socialist movement of our times. [applause]

The great leader Comrade Kim Chong-il's energetic ideological and theoretical activities encompass the following fields: party building, state building, socialist economic construction, armed forces building, science education, literature and art, reunification of the fatherland, and the world revolution.

Thanks to the grand, diverse, profound, and original ideological and theoretical activities of the great leader Comrade Kim Chong-il, our party and people have come to have an ever-victorious ideological and theoretical weapon for completing the chuche revolutionary cause, and our party's revolutionary ideology — the chuche idea — is emitting its rays more resplendently as a great revolutionary banner guiding the era of independence today. [applause]

The great leader Comrade Kim Chong-il, with his extraordinary and refined leadership, has made an immortal achievement out of strengthening and developing our party and victoriously advancing our revolution, thus opening a new heyday of the era of the Workers Party. [applause]

In the development of the revolution, the great leader Comrade Kim Chong-il put forth party building theories and policies suitable for the new historical environment, and with his great energy and experienced and refined leadership eliminated within a short historical period the old practices and frames that continued for a long time in party work and party activities, thus achieving innovations in the overall field of party work. By so doing, he fundamentally renovated the features of our party.

Because the great leader Comrade Kim Chong-il has devoted all his energy and efforts to strengthening and developing our party over the glorious period of some 30 years, our party has been solidified as firm as a rock into an iron-strong party wholeheartedly united in one ideology and volition on a strong organizational and ideological basis, and highly demonstrates its mighty appearance as the mighty revolutionary general staff that leads the chuche revolutionary cause along the ever-victorious road and as an invincible revolutionary party that is connected with the popular masses in the strongest bonds of kinship. [applause]

More than ever, the great leader Comrade Kim Chong-il has strengthened and developed our party into a mighty militant rank in organization, ideology, leadership, and ties with the masses and has created an epochal example of revolutionary party building. This is the outstanding achievement made by the great leader Comrade Kim Chong-il in leading our party work. [applause]

Today, having witnessed in recent years the reality in which the parties of countries that had been building socialism collapsed one after another, our party members and working people are all the more grateful to the great leader Comrade Kim Chong-il for his wise leadership and great achievements in strengthening and developing our party into an invincible revolutionary party that is unshakable in any trial.

The outstanding and refined leadership of the great leader Comrade Kim Chong-il has unfolded a grand era of upsurges in creation and construction throughout this land.

The great leader Comrade Kim Chong-il thoroughly embodied the line and policies of chuche socialist construction as put forth by the respected and beloved leader Comrade Kim Il-song, such as "The General Line of Socialist Construction," in order to ensure that all sectors and units firmly adhere to the party's three revolutions — ideological, technological, and cultural — and vigorously accelerate the cause of modeling the entire society on the chuche idea.

The great leader Comrade Kim Chong-il put forth the policy of the speed battle so that the spirit of continuous innovation and advance could prevail on all fronts of socialist construction. At the same time, he organized and led great socialist construction battles so that unprecedented miracles and innovations could be made one after another in socialist economic construction. According to the bold and audacious operation developed by the great leader Comrade Kim Chong-il, the construction work was vigorously pushed ahead to build monumental creations to last for generations, to build new streets, and to build new cultural rural areas everywhere in the country, including the revolutionary capital of Pyongyang. With continuous upsurges in socialist economic construction, the features of our country have been renovated more and more, and the might of the socialist self-reliant national economy has been further strengthened.

Under the wise leadership of the great leader Comrade Kim Chong- il, the chuche-oriented line of socialist cultural construction has been brilliantly implemented, bringing forth proud successes in all fields including scientific, educational, public health, and sports. At the same time, our party's literary and art revolution policy has been brilliantly embodied, opening a great heyday of chuche art. [applause]

The outstanding and refined leadership of the great leader Comrade Kim Chong-il, who has both literary and military accomplishments, also brought forth a momentous upturn in building the revolutionary armed forces. The respected and beloved comrade supreme commander put forth the policy of modeling the entire Army on the chuche idea and energetically organized and led the struggle for its realization, thus strengthening and developing the People's Army to be the leader's Army and the party's Army, boundlessly loyal to the party's cause.

Our People's Army has been strengthened and developed into a one-is-a-match-for-a hundred revolutionary armed force that is firmly prepared politically and ideologically as well as in military technology, and is fulfilling its honorable mission as the defender of the party, the revolution, the country, and the people. This is entirely attributable to the correct leadership of the great Comrade Kim Chong-il, the respected and beloved supreme commander. [applause]

The great leader Comrade Kim Chong-il has not only strengthened and developed our People's Army into a one-is-a-match-for-a hundred iron-willed Army that has been turned into cadres and modernized, but has firmly turned our country into a mighty self-defending country in which all the people are armed and the entire country has been turned into a fortress.

In the political and military confrontation with the imperialists, which in recent years saw the imperialists employing all sorts of maneuvers to isolate and annihilate our Republic, we were able to thoroughly display our invincible might without firing a gunshot. This is the proud victory provided by the brilliant Army building achievements and outstanding practical ingenuity of the respected and beloved General Kim Chong-il, an iron-willed brilliant commander and outstanding military strategist who has made our country a self-defending military power with his chuche-oriented military ideology and ever-victorious art of commanding the Army, and who has always prepared all the people and the entire People's Army for the sacred cause of the country's defense. [applause]

The great leader Comrade Kim Chong-il has endeavored hard to realize the cause of reunifying the fatherland, which the 70 million fellow countrymen eagerly long for. Thereby, the great leader [yongdoja] has expounded outstanding strategic and tactical lines and has vigorously led the nationwide struggle to achieve the cause of reunifying the fatherland under the entire fellow countrymen's united strength.

With profound ideological and theoretical activities as well as energetic external activities, the great leader

Comrade Kim Chong-il has expounded the future road for the international revolutionary and socialist reconstruction movement, and has strengthened militant solidarity and friendly relations with the world's revolutionary parties and progressive people, thus making immortal contributions to the cause of rendering the entire world independent. [applause]

Today, the South Korean people and the world's revolutionary people highly praise the great leader Comrade Kim Chong-il as the guiding star of national reunification and the great leader [yongdoja] of the world's revolution. This is an expression of absolute confidence in and boundless reverence toward him who accomplishes noble exploits in implementing the cause of making our nation and mankind independent under the banner of the chuche idea. [applause]

The great leader Comrade Kim Chong-il is a great father who was born with love for the people and who has bestowed endless benevolence on the people by devoting everything to the noble cause of the people. [applause]

The respected and beloved Comrade Kim Chong-il, who has personified on the noblest level the great leader's [suryong] idea of "believing in the people as in heaven," has set forth the slogan "serving the people" as the fundamental principle of our party activities, and has carried out the politics of trust, the politics of benevolence, and the all-embracing politics. Thus, every one of our people have entrusted their destiny to the respected and beloved general, and are living and working happily with firm confidence for a bright future, overflowing with optimism and hope.

Our people uphold as their father the great leader Comrade Kim Chong-il, who takes responsibility for the people's destiny and warmly looks after all the people under his broad bosom. They cherish deep in their hearts the leader's great love and benevolence, and discharge their loyalty and filial piety to him. The trust and loyalty between the leader [yongdoja] and the people further cements the single-hearted unity of our society.

The outstanding leadership of the great Comrade Kim Chong-il, who has led the party to victory for 30-odd years with infinite loyalty toward the party and warm love for the people, has ceaselessly continued on the one road of loyalty to uphold the leader's cause even in the days when the nation underwent the greatest national mourning, the first in the history of 50 million years, thus firmly ensuring the victorious advance of the chuche revolutionary cause.

Upon hearing the tragic news that the respected and beloved leader [suryong] had passed away, the entire nation beat the ground and cried bitterly. At that time, the great leader Comrade Kim Chong-il led all the people to rise up, replacing their sorrow with a thousand-fold strength and courage. His leadership and iron-strong will were the source of strength that pushed the continuous march of our revolution and made our party and people overcome the unexpected greatest national misfortune.

Fully understanding the people's heartfelt admiration for the fatherly leader [suryongnim] and their burning loyalty to uphold the leader's revolutionary cause to the last, the great leader Comrade Kim Chong-il presented such slogans of faith as "The great leader Comrade Kim Il-song is with us forever"; "Let us even more firmly arm ourselves with the great leader Comrade Kim Il-song's revolutionary ideas"; and "Let the entire party, all the people, and the entire Army launch onward into a new historic march."

With the presentation of the slogans of loyalty, our party and people came to receive the banner of struggle, the banner of victory, under which they can consummate the revolutionary cause for generation after generation along the single road of chuche, eternally upholding the great leader Comrade Kim Il-song as the sun of chuche and regarding the leader's revolutionary ideas, the chuche idea, as a lifeline. [applause]

The great leader Comrade Kim Chong-il taught we should advance along the single road of the revolution trodden by the leader [suryongnim], carry out all activities in the leader's style, and concentrate all efforts to implement the teaching left by the leader. Today, our functionaries, party members, and working people deem this teaching the maxim in their lives and the guideline of their struggle; this teaching makes all our people seethe with loyalty to the fatherly leader.

The great leader Comrade Kim Chong-il — who, with boundless and warm loyalty as well as a sense of duty to uphold the fatherly leader forever, has had all work focus on upholding the leader — has now directed the adoption and announcement of the historic joint decision on courteously renaming Kumsusan Assembly Hall as the Kumsusan Memorial Palace as well as upheld the great leader Comrade Kim Il-song forever in an eternal state, thus realizing the unanimous desire of our party members, People's Army soldiers, and all the people to uphold the respected and beloved leader as the immortal leader of our revolution. [applause]

The unbending faith, boundlessly noble sense of duty, and absolute loyalty to the leader's [suryongnim] ideas and cause held by the great Comrade Kim Chong-il, who intends to faithfully succeed and consummate the cause of the leader who pioneered the revolutionary road, shines as a lofty model that awakens our people and the people of the world to a genuine moral sense of communists, and vigorously encourages our people and working people to struggle to endlessly glorify the ideas, causes, and immortal achievements of the fatherly leader. [applause]

In the days of greatest sorrow over having lost the fatherly leader, the great leader Comrade Kim Chong-il announced the immortal classic work "Socialism Is a Science" and brightly illuminated the road for the consummation of the chuche socialist cause and the world's socialist reconstruction movement. The great leader Comrade Kim Chong-il also made the great epic documentary film "The Great Leader Comrade Kim Il-song Will Live Forever," thus deeply inscribing the eternal sun of chuche on the hearts of our people and on the world's progressive mankind. The great leader Comrade Kim Chong-il erected the Monument Marking the Founding of the Party, our era's monument, in the center of the capital. Herein lies his noble intention to make shine throughout the ages the respected and beloved leader's [suryong] great revolutionary ideas and noble revolutionary achievements, and to consummate to the end the leader's [suryong] revolutionary cause.

The great leader Comrade Kim Chong-il, who is pouring out his heart to carry forth the respected and beloved leader's [suryong] behests and teachings, sent a historic autographed letter on the new year, urging all the people to fulfill their duties befitting the great leader's [suryong] fighters and pupils, and elucidated a new milestone for the new struggle by presenting the WPK Central Committee on the 50th anniversary of the WPK founding. In addition, the great leader Comrade Kim Chong-il personally stood at the head of the general onward march of socialism and leads the entire party, all the people, and all the Army to heroic feats.

The great leader Comrade Kim Chong-il's unremitting efforts to endlessly strengthen and develop the country's national strength and [word indistinct], and to enhance the people's standard of living by thoroughly implementing the party's revolutionary economic strategy in conformity with the fatherly leader's behests are contained in every page of his numerous leadership achievements, including his prominent leadership that enhanced the working class' vanguard role and led all the people to accelerate the general onward movement by following the working class' fighting spirit and ethos; his on-the-spot guidance to the State Academy of Sciences and the posts of national defense protected by the one-is-a-match-for-a-hundred fighters; his work organization according to which self-reliant exemplary units are set forth, and functionaries and the entire country follow the example; and his militant instruction that vigorously accelerated the second stage construction of Chongnyu Bridge and the construction of Kumnung No. 2 tunnel so that the construction could be completed before the 50th anniversary of the party's founding. [applause]

At a time when the entire country suffered great grief due to the loss of the fatherly leader, the great leader Comrade Kim Chong-il sent a helicopter to a remote village to save the lives of triplets; sent 60th and 100th birthday tables to ordinary workers, farmers, and intellectuals; and sent thanks to functionaries and workers who did good things for the society and people. His endless love for and trust in the people has further deepened our people's confidence and feelings of reverence toward their leader.

Truly, because we uphold at the head of our party and revolution the great leader Comrade Kim Chong-il, who is true to the leader's [suryong] ideas and achievements, who is equipped with outstanding and tested leadership ability, and who endlessly loves and thinks highly of the people, our people have overcome the greatest pain of having lost the leader; have staunchly risen up; and have protected, adhered to, and added luster to our own style of socialism with the working class as its core, all amid the enemies' maneuvers. [applause]

It is the greatest honor and happiness of our party and people, who are the most blessed in the world with great leaders, that they stoutly consummate the chuche revolutionary cause generation after generation, upholding at the top the great Comrade Kim Chong-il, an outstanding ideologist, theorist, politician, military strategist, and genuine leader [yongdoja] of the people. [applause]

At this meaningful moment commemorating the 31st anniversary of the respected and beloved comrade supreme commander's induction into work with the party Central Committee, and along with the boundless admiration and warm loyalty held by all party members and people, I extend the greatest honor and warmest gratitude to Comrade Kim Chong-il, the great leader [yongdoja] of our party and people who has accumulated immortal and valuable achievements before the fatherland, the revolution, the times, and history, and who now perfectly guides the chuche socialist cause along the single road of victory while wisely leading the entire party and all the people with his extraordinary wisdom and outstanding leadership. [applause]

Comrades:

Our revolution has entered a new stage of historic change, and our party and people are faced with the heavy and honorable task of consummating the chuche revolutionary cause, pioneered and led by the great leader Comrade Kim Il-song, generation after generation. What is most important in consummating the chuche socialist cause, upholding the teaching left by the respected and beloved leader, is to faithfully uphold the great leader Comrade Kim Chong-il while fulfilling our loyal and filial duties to him.

The great leader Comrade Kim Il-song taught: In order to succeed and consummate the chuche revolutionary cause generation after generation, our people should faithfully uphold Comrade Kim Chong-il, who has both literary and military accomplishments, who fulfills loyal and filial duties, and who is leading the revolution and construction to victory.

The great leader Comrade Kim Chong-il, who inherited the ideas, leadership traits, and high moral repute of the respected and beloved leader, is the same as the great leader Comrade Kim Il-song; the decisive guarantee for the ultimate consummation of the chuche revolutionary cause lies in advancing under the respected and beloved general. It is our people's unshakable faith and will that they learn by experience in revolutionary practice for a long time. [applause]

All functionaries, party members, working people, and People's Army officers and men should bear deep in mind the great dignity and fortune in upholding the great leader Comrade Kim Chong-il at the top of our party and revolution, and should faithfully and absolutely admire and follow only their leader [yongdoja] and be endlessly loyal to the party's idea and leadership, like anti-Japanese revolutionary fighters such as Kim Hyok, Cha Kwang-su, O Chung-hun, and Kim Chaek who were boundlessly faithful to the respected and beloved leader [suryongnim] in the past.

All party members and working people should bear the firm position and will of not recognizing anyone but the great leader [yongdoja] Comrade Kim Chong-il, who is our destiny and future and the banner of victory, and should politically and ideologically become loyalists and guns and rifles to resolutely defend and safeguard the respected and beloved comrade supreme commander with life in all difficulties. We should firmly grasp the ideology and theory of the great leader Comrade Kim Chong-il as the eternal lifeline of our party and revolution, and think and act according to the party's ideology and intention anytime anywhere.

The single-hearted unity is the revolutionary philosophy of our party and the prime basis of revolution. We should purely inherit the tradition of the single-hearted unity centered on the leader [suryong], which was formed in the pioneering period of the Korean revolution and has been strengthened and developed since, and should unite and unite and unite around the great leader [yongdoja] Comrade Kim Chong-il. [applause]

We should solidify the main force of our revolution like a rock by strengthening the trinity between the party, the Army, and the youth masses and by enhancing the core role of the working class, and should vigorously accelerate the revolution and construction with the invincible might. Strengthening the party and enhancing its leading role is the basic guarantee for all victories. We should firmly safeguard and brilliantly inherit and develop the immortal revolutionary achievement of the great Comrade Kim Chong-il, which he achieved in the course of leading our party. We should thoroughly implement the chuche-based party building theory and principles set forth by the respected and beloved Comrade Kim Chong-il, and strengthen and develop our party as the glorious party of Comrade Kim Il-song forever by strengthening the party's organizational and ideological basis. We should thoroughly establish the revolutionary ethos for all party members to unconditionally accept and implement to the end the party's policies and decisions, and establish an iron-like discipline and order with which all the party membership, the entire country, and the entire Army move as one under the unitary leadership of the party Central Committee centered on the great leader Comrade Kim Chong-il.

Party organizations of all levels and party functionaries should thoroughly turn the party's work into work involving people, and renew the ideological indoctrination work in conformity with the demands of the developing reality so as to strongly bring up all party members, working people, and youths as the genuine loyalists and reliable successors of our party, and make them highly demonstrate their revolutionary enthusiasm and creative aggressiveness.

This year renders a great significance in the history of the revolutionary struggle of our party and people because it is a significant year marking the 50th anniversary of the party founding and the fatherland liberation. All functionaries, party members, and working people should uphold the slogans of the party Central Committee announced on the occasion of the 50th founding anniversary of the Workers Party of Korea, and vibrantly beat the revolutionary drum at every site of socialist construction to create new miracles and feats in production and construction, and embellish the significant 1995 as the year of most brilliant victory and fortune in the history of our party and fatherland. [applause]

All party members and working people should apply all works on implementing the teaching of the great leader's behest by cherishing in their hearts the loyalty slogan of "what the party decides, we will do." By highly displaying the revolutionary spirit of self-reliance and fortitude, they should thoroughly carry out the party's revolutionary economic strategy. As a result, they should more strongly lay the foundation for the country's self-reliant economy and effect a new upturn in enhancing the people's standard of living.

For now, by concentrating all efforts on implementing the party's agriculture-first policy, we should surely gain a rich crop this year. By first implementing communism through rice production, we will actually realize the party's plan.

The internal and external situations of our revolution are very complicated and heightened. Also, the revolutionary road upon which we should embark is still very distant and harsh. We should continue concentrating great efforts on strongly consolidating the country's defensive capability in conformity with the demands of the prevailing situations. As a result, we should further strengthen the combat capability of our People's Army and thoroughly establish throughout the entire Army the revolutionary military ethos based on the party trait of unconditionally and endlessly executing the order of the respected and beloved supreme comrade commander.

We should build the ethos of attaching importance to military affairs, more firmly fortifying the all people-oriented and the whole state-oriented party's system and highly displaying the traditional virtue of the army-people unity throughout the whole society.

With a high sense of loyalty and devotion to the party and the leader, all functionaries — as befits the commanding members of the revolution — should lead the masses to effect innovation and gain feats by showing the work manner in which they live well as intended by the great leader [suryong], while working hard day and night to responsibly keep the revolutionary posts assigned by the party, as well as by setting examples and showing through practice rather than precept. As a result, they should fulfill their missions and duties as the banner of struggle and the loyal servants to the people.

By more firmly holding the red flag of the revolution we have upheld highly since the day we waged the anti-Japanese struggle, we should bravely go through all difficulties and obstacles facing us filled with conviction and optimism, thus loudly singing a song of faith entitled "We will win if the general exists." As a result, we should surely wave the red flag of victory on the high peak of socialism.

The era of the WPK which has been glorified with the highly esteemed name of our great party is the glorious era even today, but in the future it will become a more brilliant and prosperous era. Also, the revolutionary cause of our party and people led by the great leader Comrade Kim Chong-il is always ever-victorious. [applause]

Let all of us vigorously fight on to complete the chuche revolutionary cause along with the banner of the ever-victorious chuche idea by eternally upholding the great leader Comrade Kim Chong-il at the vanguard of the party and revolution. [applause]

We wish Comrade Kim Chong-il, the great leader of our party and people, long life and good health for the growth and development of the fatherland and for the reunification of the country, for the strengthening and development of our party and for the happiness of all generations to come, and for the final victory of the chuche revolutionary cause. [applause]

Workers' Groups Hold Symposiums

SK2006044695 Pyongyang KCNA in English 0436 GMT 20 Jun 95

[FBIS Transcribed Text] Pyongyang, June 20 (KCNA) — Symposiums of working people's organisations were held on the occasion of the 31st anniversary of the start of the work of the great leader Comrade Kim Chong-il at the Central Committee of the Workers' Party of Korea (June 19, 1964).

It was said at the symposiums that in the past 30-odd years since the great Comrade Kim Chong-il began to work at the party Central Committee, he has attached great significance to the work of the working people's organisations and strengthened and developed them into militant organisations which are successfully carrying out the mission and role as peripheral organisations of the party, transmission belts linking the party with the masses.

It was noted at the symposium of officials and members of the trade union that the trade union has been strengthened into a revolutionary organisation of chuche type and workers and other working people have stoutly grown to be revolutionary soldiers unfailingly loyal to the party and the leader under the wise guidance of the great General Kim Chong-il.

A symposium of officials in charge of the work with youth and young people stressed that the great general has successfully realized the political leadership of the party over the youth movement and thus brilliantly solved the question of preparing the young people to be creditable heirs to the chuche revolutionary cause.

The symposium said that today the five million youth ranks have been firmly prepared to be rifles and bombs firmly defending the party and the leader and demonstrated the honor of being vanguards and shock brigades in making their country, their motherland more prosperous under the leadership of the general.

A symposium of officials and members of the Women's Union said that the great general has put up and led the Women's Union as a reliable helper and defender of the party which is making true contributions to the accomplishment of the chuche revolutionary cause.

The symposiums expressed the firm determination of officials and members of working people's organisations to absolutely worship and follow the great Comrade Kim Chong-il, their destiny and future and the banner of victory, and accomplish the chuche revolutionary cause started from Mt. Paektu, under his leadership.

Chuche Group Publishes Bulletin

SK2006102895 Pyongyang KCNA in English
1013 GMT 20 Jun 95

[FBIS Transcribed Text] Pyongyang, June 20 (KCNA) — The Asian Regional Institute of the Chuche Idea (ARIJI) published bulletin "Age of Chuche" No. 49 as a special issue on the 31st anniversary of the start of the work of the great leader Comrade Kim Chong-il at the Central Committee of the Workers' Party of Korea [WPK].

Contained in the bulletin are the full text of Comrade Kim Chong-il's work "Socialism Is a Science" and articles.

The bulletin informs the readers of the activities of the ARIJI since it decided to grandly celebrate February 16, the birthday of Comrade Kim Chong-il, as "day of chuche" every year.

Kim Chong-il Thanks People for Assisting KPA

SK1906060095 Pyongyang KCNA in English
0520 GMT 19 Jun 95

[FBIS Transcribed Text] Pyongyang, June 19 (KCNA) — The great leader Comrade Kim Chong-il extended thanks to the State Physical Culture and Sprots Commission, the Ministry of the Building-Materials Industry, the Academy of Social Sciences, the Kum Song General Tractor Works, 15 disabled soldiers in Wonsan city, Kangwon Province, Won Kwang-chol, farmer of the Okchi Cooperative Farm in Suan County, North Hwanghae Province, and other units and working people for their examples set in assistance to the Korean People's Army [KPA].

The units and the working people who received the thanks expressed their determination to add lustre to the true looks of the Korean society in which the Army and the people form a family, by more assisting the soldiers of the KPA.

Kim Chong-il Thanks Various Officials, Workers

SK1706043895 Pyongyang KCNA in English
0435 GMT 17 Jun 95

[FBIS Transcribed Text] Pyongyang, June 17 (KCNA) — The great leader Comrade Kim Chong-il sent thanks to the family of Yi Sang-nok who was a doctor of the chair of ophthalmology at Pyongyang University of Medicine, Kim Chong-hwa, a junior doctor of the Kangwon Provincial People's Hospital, Choe Myong-sop, a worker of the Sokhyon Milk Cow Farm under the Kangwon Provincial Stockbreeding Administration, and his family, Han Son-kyu, a farmer of the Sangja Cooperative Farm in Wonsan, Kangwon Province, and his family, for their contribution to the promotion of people's health.

Comrade Kim Chong-il also sent thanks to Kim Kum-ok, chairman of the Management Board of the Ipsok Cooperative Farm in Mundok County, South Pyongan Province, O Chong-sun, secretary of the Ipsok-ri Party Committee, war veterans and bereaved families in the ri, Song Won- hwa, a worker of the Songyo District, Pyongyang, workshop for light workers, O Sin-kuk, a farmer of the Tongwon Cooperative Farm in Hamju County, South Hamgyong Province, Choe Yong-su, instructor of the Maritime Supervisory Office under the Ministry of Marine Transport, and Kim Song-ho, a student of Pyongyang University of Foreign Studies, who sincerely assisted the construction of the monument to the party foundation being erected in Pyongyang on the occasion of the 50th anniversary of the foundation of the Workers' Party of Korea.

Foreign Media Laud Kim Chong-il Writings

SK1806085095 Pyongyang KCNA in English
0802 GMT 18 Jun 95

[FBIS Transcribed Text] Pyongyang, June 18 (KCNA) — The famous work of the great leader Comrade Kim Chong-il "Socialism Is a Science" was carried by the Indian paper SACH BILKLE SACH and the Swedish magazine RIKTPUNKT No. 10.

The Malagasy news agency AMP broadcast an article explaining the work.

The idea that to strengthen the driving force of revolution and enhance its role is the basic way of socialist victory, the idea elucidated by His Excellency Kim Chong-il, the outstanding genius of thought and theory, is a militant banner of leading the socialist movement undergoing a temporary trial to an upswing, stressed the news agency.

His work "Our Socialism Centred on the Masses Shall Not Perish" was carried by the Tanzanian paper MFANYA KAZI.

Kumsusan Named 'Supreme Holy Land of Chuche'

SK1606223595 Pyongyang KCNA in English 1522 GMT 16 Jun 95

[FBIS Transcribed Text] Pyongyang, June 16 (KCNA) — The Kumsusan area in Taesong District in northeast of Pyongyang has been made a supreme holy land of chuche.

The decision on preserving the great leader President Kim Il-song in state stipulates that the Kumsusan Assembly Hall where he wisely led the party and state work, the Korean revolution and the human cause of independence for a long time, will be renamed "Kumsusan Memorial Palace" and the Kumsusan area be turned into a supreme holy land of chuche.

President Kim Il-song will be preserved in the form of eternal life in the palace, which will also house the "chuche idea works exhibition" showing the whole picture of his outstanding ideological and theoretical activities.

The Korean people can call, whether they are in good or bad times, at "Kumsusan Memorial Palace" where President Kim Il-song is kept in the form of eternal life and renew their resolution, and work more energetically with his image cherished in their hearts. Now the Korean people and the world's progressive mankind are expressing full appreciation of the decision on turning the Kumsusan area into the supreme holy land of chuche by renaming the Kumsusan Assembly Hall as "Kumsusan Memorial Palace".

When President Kim Il-song was alive, the Kumsusan Assembly Hall had been bustled with many visiting Koreans and foreigners.

Among them were workers, peasants, soldiers, intellectuals, youths and students, children, Koreans overseas and well-known figures and envoys of friendship who came to the sun of era from across the world.

All of them came there with great happiness and joy and left there with fresh conviction and encouragement.

There are many places called "holy land" in the world.

But, there is no such holy and significant land as the supreme holy land of chuche, the Kumsusan area which is the focus of world attention, as the great leader lived there for a long time, making great contributions and performing exploits for the time and mankind.

The Korean people and the world's progressive people will, in the future, too, continue to call at the supreme holy land of chuche from which the eternal sun of chuche is shedding brilliant rays, and go ahead more staunchly along the road indicated by the chuche idea, cherishing the image of the great leader.

Kim Il-song Monument Unveiled in South Pyongan

SK1906213195 Pyongyang KCNA in English 1530 GMT 19 Jun 95

[FBIS Transcribed Text] Pyongyang, June 19 (KCNA) — A monument to the imperishable revolutionary history of the great leader President Kim Il-song was set up in Kumdang-ri, Onchon County, South Pyongan Province.

President Kim Il-song gave on-the-spot guidance to the Kumdang Cooperative Farm in Onchon County on June 19, 1994, in the last period of his lifetime.

The monument is one of the times to convey down through generations the tireless efforts and leadership feats of President Kim Il-song for complete realisation of the socialist rural theses.

The monument "Kumdang Revolutionary Site" was unveiled with a due ceremony on the spot on June 18.

Those present observed a moment's silence in memory of President Kim Il-song who devoted his whole life to the happiness of the people and prosperity of the country.

The monument was unveiled by So Yun-sok, Politburo member of the Central Committee and chief secretary of the South Pyongan Provincial Committee of the Workers' Party of Korea and chairman of the South Pyongan Provincial People's Committee.

The monument says: Traveling fields of the farm again in his eighties President Kim Il-song said that when farm work goes well, the Korean people will be better off. His words are engraved in our hearts. We will hold the great leader Comrade Kim Chong-il in high esteem and exalt our country and motherland, always remembering the undying feats and behests of President Kim Il-song.

Addressing the ceremony, So Yun-sok called upon all the party members and other working people to learn from the noble traits of Comrade Kim Chong-il, the supreme incarnation of revolutionary morality and obligation, hold President Kim Il-song in high esteem as the sun of chuche for all ages and put their all energies, wisdom and passion into the work to complete the revolutionary cause started by the president.

Kim Il-song Guidance for Liberation Marked

SK1806085895 Pyongyang KCNA in English 0831 GMT 18 Jun 95

[FBIS Transcribed Text] Pyongyang, June 18 (KCNA) — Fifty years have passed since the great leader President Kim Il-song organized and led the struggle for the final victory of national liberation in North Hamgyong Province in May and June 1945.

After 1943 when he advanced the three-point line for the liberation of the country, he advanced into the province in the northern part of the country every year and rallied all forces in the struggle for the liberation of the country.

He convened an emergency meeting of commanders of the Korean People's Revolutionary Army [KPRA] and chiefs of revolutionary organizations at a temporary secret base in Sonbong County, North Hamgyong Province, and put forward the policy concerning an operation for national liberation which involved preparations of all the KPRA units and revolutionary organizations for a final attack.

In June 1945 he called a meeting of military and political cadres at the secret base in Mt. Kanbaek and proclaimed the plan for the final attack. And, to carry it into practice, he guided a meeting of commanders and soldiers there and advanced into North Hamgyong Province to guide KPRA units, small units and groups active in the shore of River Tumen and the east coastal area in the northern part of Korea and organizations for an all-people resistance.

In the same month, he organized and guided a meeting of leading members of the shock brigade, a paramilitary organization for an all-people resistance, at the temporary secret base in Sinjang-ri, Yonsa County.

Later, he went to the temporary secret base in Pugori, Chongam District, Chongjin City, convened a meeting of commanders of KPRA units and small units and chiefs of political working groups active in the shore of River Tumen and set tasks for final decisive battles to be fulfilled by units, small units and groups in this area according to the plan for national liberation.

In the second half of June, he called a meeting of chiefs of underground revolutionary organizations and people's armed corps at the temporary secret base in Kwangok-tong, Najin District, and set tasks and ways in detail to win a shining victory in an all-people resistance and a joint operation in the rear along with the general attack of the KPRA.

A meeting took place in Chongjin Saturday upon the lapse of 50 years since the great leader conducted the revolutionary activities in the province.

In his report Yi Kun-mo, chief secretary of the North Hamgyong Provincial Committee of the Workers' Party of Korea and chairman of the North Hamgyong Provincial People's Committee, said the revolutionary activities conducted by the great leader in May and June 1945 in North Hamgyong Province marked an epoch-making event in opening up a decisive phase for the accomplishment of the historical cause of national liberation with the Korean people's independent revolutionary forces.

Daily Stresses Importance of Timely Farming

SK2006104495 Pyongyang NODONG SINMUN in Korean 22 May 95 p 1

[Editorial: "Let Us Concentrate All Efforts on Farming Work!"]

[FBIS Translated Text] Now is the most important period for this year's farming.

Agricultural production requires timeliness. Because all farming work has a timely season, if one loses a day, one will have that much more difficulty in production.

We should accomplish the transplantation of humus-potted maize-seedlings at an early date, and should also finish up the transplantation of rice seedlings in a speedy, timely manner.

At the present moment, our party demands that all efforts be concentrated on pressing farming work.

A slogan of the party Central Committee issued on the occasion of the 50th anniversary of the founding of the party makes the following appeal:

"Let us concentrate all efforts on accomplishment of the agriculture-first policy!"

We should vigorously turn out in accomplishing the agriculture-first policy, while upholding the party's militant slogan. For the present, we should make all efforts to finish the transplantation of humus-potted maize-seedlings and rice seedlings in a rushing manner.

The party organizations at various levels should intensify the organizational and political work aimed at concentrating all efforts on farming work.

The great leader Comrade Kim Chong-il has pointed out:

"Furthermore, because the farming requires timeliness, it should be accomplished in a timely manner; otherwise, relevant, grave consequences will occur."

To concentrate all efforts on finishing the pressing farming work quicky is an important demand to harvest a bumper crop in this year's farming.

A year's farming is determined by the springtime's farming work. When one finishes up the transplantation of humus-potted maize-seedlings and rice seedlings in a timely and qualitative way, one will be able to harvest a bumper crop in autumn. Every one of us should rush to the farms to transplant as many humus-potted maize-seedlings as possible and to concentrate efforts on transplanting rice seedlings.

The most important front in terms of the accomplishment of the revolutionary economic strategy is the agricultural front.

When one harvests a bumper crop by concentrating one's efforts on farming, then one will be able to thoroughly accomplish the party's revolutionary economic strategy and improve the people's livelihood in an epoch-making way. To carry out farming well is a sure road to achieving the age-long desire of our people to eat rice with meat soup, wear silk clothes, and live in tile-roofed houses. To this end, it is necessary to finish the transplantation of humus-potted maize-seedlings and rice seedlings — the most important process in this year's farming — in a timely and qualitative way. We should concentrate all efforts on accelerating the springtime farming work to advance the harvest of a bumper crop.

This year is a very meaningful year which marks the 50th anniversary of the founding of our glorious party.

At the present moment, all of our party members and workers are turning out as one in a general onward march to accelerate the socialist construction, while upholding the party Central Committee's slogans issued on the occasion of the 50th anniversary of the founding of the party.

Rice is socialism; and the struggle to produce grains is the struggle for the victory of socialism. When we decisively increase the production of grains and more smoothly resolve the food question, we can more highly display the superiority of our-style socialism.

The entire party, the whole country, and all people should glorify this year — which marks the 50th anniversary of the founding of the party — with a bumper crop by giving vigorous support to the rural areas, while upholding the party's agriculture-first policy. When we concentrate all efforts on finishing up the pressing transplantation of humus-potted maize-seedlings and rice seedlings quickly, we can see a great turn effected in this year's farming and we can also harvest a bumper crop.

What is, above all, important in vigorously accelerating the pressing farming work is that we should mobilize all party members and workers ideologically, while helping them maintain the firm standpoint and viewpoint to unconditionally accomplish the party's agriculture-first policy.

At the present moment, no other work is more important than accomplishing the agriculture-first policy in vigorously accelerating the socialist economic construction.

The party members and workers in all sectors of the people's economy should vigorously turn out in the pressing farming work, while keeping deep in their hearts the knowledge of how significant is the question of effectively doing the farming and of harvesting a bumper crop in terms of glorifying the 50th anniversary of the founding of the party as a grand festival of victors and in terms of turning this year into a year of hope and fortune. We should never forget the fact that making big progress in this year's agricultural production is the most sacred work for glorifying the immortal achievements of the fatherly leader, who led the socialist rural construction along the single road to victory, and to carry through the leader's last wishes. In this way, the party members and workers should see their burning sense of loyalty and filial piety to the party and the leader fully displayed in the springtime farming work, including the transplantation of rice seedlings.

With a view to vigorously accelerating implementation of the pressing farm work, the entire party, the entire country, and all the people should concentrate their efforts on doing this.

The masters of farming are the functionaries of the agricultural sector as well as agricultural workers. Now is an opportune time for functionaries and workers in the agricultural sector to rise in a revolutionary fashion. All farm workers should finish the transplantation of humus-potted maize and rice seedlings in a rapid manner and do all the farm work in a timely, meticulous, and careful manner while holding high the slogan "The farm field is my field!" All agricultural workers should finish the transplantation of humus-potted maize and rice seedlings in the most timely manner in conformity with the demands of the chuche farming method, with the relevant daily plans, and with the plans for each field.

It is important for guiding functionaries in the agricultural sector to highly display the spirit of putting forth bold plans and of carrying out the relevant work with lightning speed. Functionaries in the agricultural sector, especially functionaries at cooperative farms, should carry out the relevant organizational work in a meticulous manner, thereby helping concentrate all labor forces and all equipment in the agricultural sector on the pressing farm work. Functionaries should bring all farming processes into gear with each other to the finest detail, much like a toothed wheel; should help solve the pending issues on a timely basis, working side-by-side with the agricultural combatants in the seething fields; and should vigorously lead agricultural workers by setting examples and by showing by practice rather than precept.

A firm guarantee to achieving much progress in agricultural production is for all people to turn out as one to give active support to manpower, and to give material and technical assistance to rural areas. One of the basic principles elucidated by the agricultural thesis is the working class' guidance to peasants, the industrial sector's support for agriculture, and the urban areas' assistance to rural areas. Those who make every effort to substantially help rural areas with manpower and material and technical assistance are genuine patriots who are loyal to the party and who genuinely uphold the party's policies. As befitting the masters, functionaries and workers in all sectors of the people's economy should participate in the work of supporting rural areas, regarding the work not as business-like but as important for enriching our country, our fatherland, and for glorifying our own style of socialism.

Workers and office clerks in urban areas and in the industrial sector, youths, students, and soldiers of the People's Army should rise as one in the pressing farming battle, as they have in previous periods, keeping deep in their hearts the party's demand for giving vigorous support to rural areas. All organizations and enterprises, especially those sectors that are not engaged in production, should send more manpower resources into the combat of assisting rural areas, seeking out relevant reserves to the maximum extent. Those party members, workers, and soldiers of the People's Army who participate in the combat of assisting rural areas should sincerely work along with agricultural workers, maintaining a sense of assuming responsibility for this year's farming as befits the masters; they should highly display the revolutionary spirit of daily fulfilling each day's task without fail.

During the tense period of the farming battle, it is very important to send farming and other material to rural areas in a unified and timely manner. Various sectors of the people's economy should produce and send to rural areas more of the pressing farming material, such as chemical fertilizers, agricultural chemicals, spare parts for farm machinery, and oil; the transportation sector, including the railways, should transport the produced farming material to rural areas on a timely basis. In this way, they should help do the farming in a scientific and technical manner in conformity with the demands of the chuche farming method, and should guarantee the speed and quality of the transplantation of humus-potted maize and rice seedlings.

It is necessary to enhance the role of party organizations at various levels to vigorously accelerate the pressing farm work.

Party organizations should carry out the work in an aggressive manner to deeply inculcate in, and bring home to, party members and workers the party's intention to implement the general mobilization of the entire party, the entire country, and all the people into the pressing farming battle. Party organizations in rural areas should actively help and lead all functionaries so they can carry out with responsibility such economic organizational work as the organization of manpower, the supply of material, and command in production. Party organizations in various sectors of the people's economy should exercise guidance and control so those concerned can fulfill the assigned tasks for assisting rural areas without fail.

In particular, responsible functionaries should give top priority to the pressing farm work and to the work of supporting rural areas; should meticulously carry on organizational and political work; and should lead in an active manner so those concerned can fulfill the assigned combat tasks on a timely basis.

Let all of us concentrate our efforts on accelerating the implementation of the pressing farm work, upholding the party's agriculture-first policy!

Planting at Kumdang Cooperative Farm Viewed

SK1906103495 Pyongyang KCNA in English
1024 GMT 19 Jun 95

[FBIS Transcribed Text] Pyongyang, June 19 (KCNA) — The Korean agricultural working people and helpers have turned out in weeding in hearty response to the appeal of the peasants of the Kumdang Cooperative Farm.

Some time ago, the peasants of the farm and helpers met to vow to reap at any cost a bumper harvest this year in which falls the 50th anniversary of the foundation of the Workers' Party of Korea by completing the present weeding for paddy and non-paddy fields in time and on a high qualitative level and challenged the peasants and the helpers across the country to a socialist emulation.

Situated in Onchon County, South Pyongan Province, on the west coast of Korea, the farm is an ordinary one like other farms in Korea. However, it has been known to all people because it is associated with the revolutionary activities of the great leader President Kim Il-song.

The unforgettable 19th of June last year was Sunday.

That day, President Kim Il-song called at the farm even under the burning sun of June. Going around fields of the farm, he expressed deep satisfaction over the fact that the agricultural working people there had cultivated crops well in accordance with the agriculture-first policy of the party. He said that what was the most important in solving the problem of food, clothing and housing is to do farm [work] well. The agricultural working people, he added, should do all farm work scientifically and technologically as required by the chuche farming method, deeply mindful that they were directly responsible for the farming of the country. And he indicated in detail tasks and ways of increasing the grain output by cultivating and manuring crops well.

Then, people did not imagine that the on-the-spot guidance was the last on-the-spot guidance but one of the president who walked muddy ridges between fields without a rest all his life for a nationwide bumper harvest, saying that the agriculture is the greatest foundation of the country. Ten-odd days later, the inhabitants of Kumdang-ri heard the surprising news that President Kim Il-song passed away suddenly. They, like all other people of Korea, wailed and wailed.

They changed their sorrow into strength and rose to implement the behest of President Kim Il-song. They had a great bumper crop last year which marked the 30th anniversary of the publication of the rural theses.

As he intended, they applied a large quantity of supplementary fertilizers to each plant and thus distinguished themselves in the per-hectare grain output.

The unanimous desire of the farmers there who are working hard to implement the call of the party "Let us greet the 50th anniversary of the party foundation with bumper crops" is to reap a bumper harvest again this year as intended by President Kim Il-song, report it to the great leader Comrade Kim Chong-il and meet him on the farm. Although this year's climate is very unfavourable, they qualitatively finished the transplanting of humus-potted maize seedlings and rice transplantation in time and made a breakthrough in farming.

They are now assiduously tending all the paddy and non-paddy fields of the farm, thus ranking first in weeding across the country.

South Hwanghae Scores Gains in Helping Farms

SK1906004695 Pyongyang Korean Central Broadcasting Network in Korean 1200 GMT 18 Jun 95

[FBIS Translated Text] The workers in South Hwanghae Province are vigorously carrying out the work to give support to rural areas, with the high determination to usher in the 50th anniversary of the founding of the party, with high political enthusiasm and brilliant labor exploits.

In recent days alone, they have produced a large amount of compost and sent it to cooperative farms in the province.

The organizations and enterprises at the provincial level, and Paechon, Changyon, Pyoksong, Anak, and Kangnyong Counties are setting examples in producing and transporting compost. In particular, in recent days alone, various organizations and enterprises at the provincial level, including the Provincial Publications Management Bureau and the Urban Construction Office, have sent about 250 tonnes, which they have produced, to cooperative farms in neighboring areas.

Workers Volunteer To Work at Cooperative Farm

SK2006021795 Pyongyang Korean Central Television Network in Korean 1100 GMT 15 Jun 95

[FBIS Translated Text] Comrades Kim Yong-kun and Yi Chong-sil, workers of the Chagang Provincial Printing Plant, have volunteered to work at Hyangha cooperative farm in Changgang County, where the great leader's leadership achievements reside.

On the day when they were leaving for the cooperative farm while their comrades were warmly seeing them off, Comrades Kim Yong-kun and Yi Chong-sil expressed their determination of loyalty to uphold the party and build a more prosperous and powerful country and fatherland with rice.

[Begin Yi Chong-sil recording] I will eternally take root in Hyangha, an honorable land, with Comrade Yong-kun and uphold our party, country, and fatherland with rice. By so doing, I will reap a bumper harvest in Hyangha every year and always give joy to the great leader Comrade Kim Chong-il. [end recording]

Railway Improves Transport of Farm Materials

SK1906004395 Pyongyang Korean Central Broadcasting Network in Korean 1200 GMT 18 Jun 95

[FBIS Translated Text] The functionaries and transport workers at the Pyongyang Railway Bureau are achieving great success in transporting farming materials, while upholding the party Central Committee's slogans.

The crews of the red-flag locomotive engines Nos. 5227 and 5083 of the West Pyongyang Service Brigade of Engines are vigorously operating their engines by transporting several hundred tonnes of potassic fertilizer over the draft limit, while carrying out a struggle to haul more carloads of goods.

The transport workers at Yongdang Railway Station are overfulfilling daily plans of the transportation of potassic fertilizer by more than 1.2 times by carrying out the coupling and uncoupling of wagons in a mobile fashion.

The transport workers at Chilgol Railway Station, are also transporting farming materials rounded up at the station, in a swift manner, while operating the loading facilities at full capacity.

French Resumption of Nuclear Testing 'Reckless'

SK2006103195 Pyongyang KCNA in English 1025 GMT 20 Jun 95

["FM Spokesman on France's Decision To Restart Nuke Test" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, June 20 (KCNA) — The spokesman for the Foreign Ministry [FM] of the Democratic People's Republic of Korea was interviewed by KCNA today in connection with France's decision to restart nuclear test.

He said:

Recently, the French Government made an official announcement that France will resume nuclear test on South Pacific from September. It has invited strong protests from different countries.

This decision fully reveals France's design to update nuclear weapons and maintain its being a nuclear power by nuclear armed forces.

Our country, a Pacific country, cannot remain an onlooker to such a reckless act of France.

France, which had persistently balked at the progress of the DPRK-U.S. talks, speaking ill of the DPRK over its non-existent "nuclear issue," is going to restart nuclear test. This shows how deceptive it is.

It is most important for a durable peace and security in the world to finally and completely eliminate all the nuclear weapons on the globe.

If the French Government restarts nuclear test, ignoring the unanimous demand of the Pacific nations and other countries, it will bring into a bold relief its true color as a hypocrite who has called for the stability of the planet.

It will be a beneficial behavior in every respect that France withdraws the decision to resume the reckless nuclear test, free from the mental state of the Cold War and the concept of confrontation.

Paper Urges Overthrow of Kim Yong-sam Group

SK2006103795 Pyongyang KCNA in English 1020 GMT 20 Jun 95

["Traitor Kim Yong-sam Must Be Overthrown" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, June 20 (KCNA) — NODONG SINMUN today comes out with a signed article calling for the overthrow of the Kim Yong-sam group trying to block the August 15 Grand National Reunification Festival which will mark an important occasion in making a breakthrough in achieving reunification in the 1990s.

The Kim Yong-sam group is hell-bent on the war exercises against the North in league with outside forces, while taking fascist steps to block the August 15 Grand National Reunification Festival, the author of the article says, and continues:

All thinking and acts of the Kim Yong-sam group are focused on blocking the reconciliation and unity of the nation, perpetuating the division of the country and provoking a war against the North in conspiracy with outside forces.

As a result, all dialogues and contacts between the North and the South were blocked, frozen and ruptured, and the situation of the country is on the brink of the outbreak of war.

With the fascist violence for "new security-oriented rule," the Kim Yong-sam group is bestially cracking down upon South Korean students and people calling for reunification through alliance with communism and the North on charges of "pro-communist and enemy-profiting elements".

It is indisputable that such reckless moves of the puppets are prompted by their criminal design to stop the powerful inclination of the nation to the reunification in the 90s by blocking the Grand National Reunification Festival celebrating the 50th anniversary of the liberation of the country.

As the reality shows, the Kim Yong-sam group is one harmful to the country, the nation and national reunification and a source of all disasters and misfortunes of the South Korean people.

No one can predict what a heinous crime the Kim Yong-sam group will commit in a bid to extricate itself from the crisis of ruin.

It is the source of trouble for the whole nation as well as the South Korean people to keep the Kim Yong-sam group alive within the nation.

Whether to remove the Kim Yong-sam group or not is a pressing matter whether the Korean nation will achieve the peace and reunification of the country and avert the danger of a nuclear war or suffer from the tragedy of permanent division and from a nuclear holocaust by outside forces.

If national reunification, the supreme desire of the nation, is to be achieved and the nation is to be relieved of the danger of a nuclear war, it is imperative to overthrow the traitorous Kim Yong- sam group at an early date. This is the very serious lesson drawn by all the fellow countrymen again.

Kim Yong-sam Regime Denounced as 'War Maniac'

SK2006052695 Pyongyang Korean Central Broadcasting Network in Korean 1222 GMT 19 Jun 95

[Unattributed commentary: "War Maniac Rushing Toward the Road of Ruin"]

[FBIS Translated Text] A tiger moth is destined to burn to death. War maniac traitor Kim Yong-sam is running wild to become a tiger moth. This is proven by his recent moves. That is to say, traitor Kim Yong-sam showed up at a puppet army unit in the central sector of the front at dawn a few days ago and incited a war fever, crying for the establishment of a security posture, self-sacrificing spirit, and full war preparations. Like the saying that says a stink hangs in the air when a weasel passes, as soon as the puppet traitor disappeared in the unit after making these absurd, bellicose remarks the bandits of the puppet army unit committed such grave military provocation as the offensive operation exercise designed to break through the Military Demarcatrion Line in the DMZ.

It is clear to anyone that such a bellicose act by the puppets is a premeditated provocation designed to lead the situation on the Korean peninsula to the brink of war.

All fellow countrymen in the North and South and overseas are now staging a grand march for reunification with the single desire to open a breakthrough to national reconciliation, unity, and reunification by jointly celebrating the upcoming 50th anniversary of national liberation on 15 August. Nevertheless, traitor Kim Yong-sam runs counter to the nation's aspiration for reunification by prowling about puppet army units to incite war fever and trigger military provocation commotions against us. The Kim Yong-sam ring's war hysterics for a northward invasion have, in actuality, reached an extreme level. With the start of June, the puppets triggered war exercise commotions for a northward invasion in league with outside forces almost every day. One of these war exercise commotions includes an exercise for a joint aerial preemptive strike against the northern half of the Republic in which more than 700 fighters and reconnaissance aircraft from the U.S. Seventh Air Command and the puppet Air Force were mobilized.

The Kim Yong-sam clique has also constantly triggered various forms of military provocations against us by deploying large-scale armed forces in the frontline areas. The puppets' recent firing of large-caliber shells at an islet in our side is part and extension of such military provocations.

Because of the reckless playing with fire by the bellicose Kim Yong-sam ring, a dangerous situation in which a war may break out at any time is being created in our country today. Despite such a situation, a war has not yet broken out but peace has been preserved on the Korean peninsula. This is entirely due to our patient peace-loving efforts.

The Kim Yong-sam ring's frantic war provocation commotion is a product of the crisis in its rule after being backed into a corner. It is Kim Yong-sam's last-ditch effort. The lot of the Kim Yong-sam ring is very uneasy. The struggle of the South Korean people, including workers, for the right to existence and for democracy is gaining momentum with each passing day, and this struggle is tightening the noose around Kim Yong-sam's neck, hour by hour.

Embarrassed by this, the puppets did not hestitate to perpetrate the rash act of breaking into a Catholic church and temple, which are sacred and inviolable, and brand the workers' just struggle an attempt to overthrow the system. However, this has added fuel to the burning flames.

The Kim Yong-sam ring has lost face before the people. Still worse, with a view to blocking progress in the DPRK-U.S. talks, the Kim Yong-sam ring entreated its master to join in its efforts to obstruct the talks. But, an agreement was reached at the talks and a joint press statement was published.

The Kim Yong-sam ring has been isolated and rejected by the people and is hated even by its master. Thus, it has been driven into a situation where it is like a fish that has left water.

The Kim Yong-sam ring is trying to find a way out of the crisis by unleashing a war against the fellow countrymen. But this is a road to self-destruction. If the Kim Yong-sam ring does not want to perish in the flames kindled by it, it should stop its rash acts.

ROK Premier's Comment on Church Raid Condemned

SK2006045295 Pyongyang KCNA in English 0440 GMT 20 Jun 95

["Scheme for Total Crackdown on Labor Movement" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, June 20 (KCNA) — The puppet prime minister of South Korea, Yi Hong-ku, recently issued a "statement" in relation to the police raid on the Chogye Temple and the Myongdong Cathedral in Seoul and described it as "an unavoidable measure" in a bid to justify the fascist outrage, a radio report from Seoul said.

Far from apologizing for the illegal suppression, Yi Hong-ku shamelessly defended and justified it. This shows once again that the Kim Yong-sam group are truculent fascist tyrants under "civilian" veil and never-to-be-condoned murderers who cannot exist without violence for security-oriented rule.

They issued a repressive order, branding the righteous action of the trade union of the telecommunication company as an "attempt to overthrow the system" and "conspiracy of a rebellion" and stretched their crooked hands of suppression even to the inviolable cathedral and temple. This shows how far they have gone in fascist suppression.

The fascist outrage of the "civilian"-veiled tyrants has angered believers and all other people in South Korea.

The repressive campaign of the puppets against the South Korean labor movement is a last-ditch effort of those whose days are numbered.

The fierce struggle of the South Korean working class will bring the Kim Yong-sam group to ruin.

Daily Calls Statement 'Deceptive'

SK2006045895 Pyongyang KCNA in English 0444 GMT 20 Jun 95

["Truculent Fascist Tyrants" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, June 20 (KCNA) — The South Korean puppet prime minister recently issued a "statement to the people" concerning the fact that police dashed into the Myongdong Cathedral and the Chogye Temple in Seoul in broad daylight and walked off the Telecom's unionists in a sit-in.

Revealing the deceptive nature of the "statement," an analyst of NODONG SINMUN today says:

In the "statement" the Kim Yong-sam group expressed "regret" for the fact. But that does not mean their atonement for their crime.

This is illustrated well by the fact that the puppets claimed that the police inrush into the cathedral and temple was an "unavoidable step" and urged the religious circles to have their establishments not being considered to be "extraterritorial places" or "safe places of illegal struggle."

The puppets charged the religious circles with offering their establishments as hiding-places of those in "illegal struggle." This cannot be construed otherwise than a threat that they will harshly suppress the religionists in case they extend solidarity to the workers in their struggle.

The Kim Yong-sam fascist clique, instead of repenting of such a crime of theirs as throwing police into religious establishments though belatedly, are now trying to justify it and, worse still, threatening the religious circles. This unheard-of inhumane act which overshadows the former infamous military dictators invites bitter resentment from the people.

With no trick, can the Kim Yong-sam group cover up their blood-stained crime and avoid the people's resentment.

The fascist tyrants will have to pay thousand-fold for their crime.

ROK Students Criticize Sogang University Head

SK1706052295 Pyongyang KCNA in English 0505 GMT 17 Jun 95

[FBIS Transcribed Text] Pyongyang, June 17 (KCNA) — Pak Hong, president of Sogang University of South Korea, blared that telecommunication co. unionists took shelter in Myongdong Cathedral and Chogye Temple under the "control of the North".

In this regard, the General Student Council of the university on June 15 made public a statement denouncing his remarks.

The statement scathingly described the venal president's remarks as an anti-reunification, anti-national blunder and as a joint product of the anti-reunification forces who are seeking a "security-oriented situation" with "local autonomous body elections" approaching.

It demanded that Pak Hong make an apology to the people and resign as the university president and that the puppet authorities stop the attempts to create the fascist "security-oriented situation".

Pak Hong wearing the mask of an "educationist" took the lead in creating the "security-oriented situation" with false remarks about "chuche idea followers" last year.

ROK Soldiers Reportedly Praise Kim Chong-il

SK2006051195 Pyongyang KCNA in English
0459 GMT 20 Jun 95

["General Kim Chong-il, Invincible Commander" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, June 20 (KCNA) — South Korean people including soldiers of the puppet army highly praise Comrade Kim Chong-il, supreme commander of the Korean People's Army, as the most brilliant military genius and famous commander of the present time.

Leaflets which were recently scattered in Kwangju, Kangnung of South Korean Kangwon Province and other towns, and pasted on vehicles and puppet army barracks read:

"General Kim Chong-il is an invincible commander." "General Kim Chong-il is the most distinguished military genius of the present century, who has military wisdom of chuche, matchless grit and tested commanding art." "General Kim Chong-il is the most brilliant commander, who wins with his ideology, strategy and virtues and turns misfortune into a blessing, and adversity into favorable conditions."

A second lieutenant surnamed Kim of the 11th Division of the puppet army told his colleagues: "General Kim Chong-il spent his childhood in the forests of Mt. Paektu, listening to gun reports as if they had been a lullaby. He has totally mastered the outstanding military idea and theory, chuche war tactics and commanding art of General Kim Il-song. Now he is an iron-willed brilliant commander with knowledge, virtue and courage."

An officer surnamed Yu agreed with his opinion, saying: "Any formidable enemy with a history of a thousand years will be impotent before General Kim Chong-il's mysterious commanding art."

Another officer praised General Kim Chong-il as a great statesman with literary and military accomplishments and a brilliant commander who descended from heaven.

Chang In-chol, a researcher of the "war history" of South Korea, said in an article titled "Matchless Army and Great General":

"A brilliant commander with courage, wisdom and commanding art will naturally overpower and defeat any formidable enemy. The People's Army in the North is famed as an invincible army and undauntedly stands against the Armed Forces of the imperialist country which boasts of being the only superpower in the world. This is because it is led by General Kim Chong-il."

Newspaper Delegation Departs for Beijing

SK1906151595 Pyongyang KCNA in English
1510 GMT 19 Jun 95

[FBIS Transcribed Text] Pyongyang, June 19 (KCNA) — A delegation of NODONG SINMUN led by its Deputy Editor-in-Chief Choe Chil-nam left here today to visit China.

It was seen off at Pyongyang railway station by Deputy Editor-in-Chief of NODONG SINMUN Choe Yang-ho and a councillor of the Chinese Embassy in Pyongyang.

President of Japanese Wrestling Firm Arrives

SK1706212895 Pyongyang KCNA in English
1508 GMT 17 Jun 95

[FBIS Transcribed Text] Pyongyang, June 17 (KCNA) — Kanji Inoki, member of the House of Councillors of Japan and president of the New Japan Pro-Wrestling Co., Ltd., and his party arrived here today.

They were met at the airport by an official of the Korean Asia-Pacific Peace Committee.

Meets Kim Yong-sun

SK1906151095 Pyongyang KCNA in English
1506 GMT 19 Jun 95

[FBIS Transcribed Text] Pyongyang, June 19 (KCNA) — Kim Yong-sun, chairman of the Korean Asia-Pacific Peace Committee, today met and had a friendly talk with Kanji Inoki, member of the House of Councillors of Japan and president of the New Japan Pro-Wrestling Co. Ltd., and his party.

Japan Friendship Delegation Leaves 17 Jun

SK1906072195 Pyongyang Korean Central Broadcasting Network in Korean
1300 GMT 17 Jun 95

[FBIS Translated Text] A Japan-DPRK Friendship Delegation of Aichi Prefectural Assemblymen of Japan headed by Suekichi Sachi left Pyongyang on 17 June.

Japanese Institute President Visits Chongnyon

SK1706121095 Pyongyang KCNA in English
1027 GMT 17 Jun 95

[FBIS Transcribed Text] Tokyo, June 15 [date as received] (KNS-KCNA) — Shinyasu Hoshino [name as received], president of the National Institute for Research Advancement of Japan, who was once deputy director general of the Economic Planning Agency, and his party recently called at the Korean Hall in Tokyo.

He had visited the Democratic People's Republic of Korea some time before.

They were received by Chief Vice-Chairman Ho Chong-man and the director of the International Department of the Central Standing Committee of the General Association of Korean Residents in Japan [Chongnyon].

On the occasion Shinyasu Hoshino said he was deeply impressed at the sight of Korea advancing without vacillation under the wise leadership of His Excellency Kim Chong-il.

He has acknowledged that the chuche idea is the universal truth that can be owned in common by humankind going towards the 21st century, Hoshino said, and declared:

"I will further expand exchange between Japan and Korea and thus contribute to the promotion of Japan-Korea friendship."

Chongnyon Central Committee Meeting in Tokyo

SK1906150995 Pyongyang KCNA in English 1505 GMT 19 Jun 95

[FBIS Transcribed Text] Pyongyang, June 19 (KCNA) — The fifth enlarged meeting of the Sixteenth Central Committee of the General Association of Korean Residents in Japan (Chongnyon) was held at the Korean House of Culture in Tokyo on June 15, according to a KNS report from Tokyo.

It was participated in by Han Tok-su, chairman of the Central Standing Committee of Chongnyon, and the Central Committee members and other officials concerned.

The participants paid a silent tribute to the memory of the great leader Generalissimo Kim Il-song.

The meeting discussed the first agenda item "on invigorating Koreans in Japan to carry through the historic letter sent by the great leader Marshal Kim Chong-il to Chongnyon and Koreans in Japan on the 40th anniversary of its formation" and the second agenda item "on convening the 17th congress of Chongnyon".

Chairman Han Tok-su took the floor at the meeting.

He expressed the firm belief that Chongnyon officials including the Central Committee members would establish more firmly a new work system of Chongnyon to carry forward the blood of patriotic movement as intended and desired by respected General Kim Chong-il and unite in one mind to organize and mobilize Koreans in Japan to fulfill the historic letter so that they can discharge their bounden duty as soldiers and disciples of Generalissimo Kim Il-song.

Ho Chong-man, chief vice-chairman of Chongnyon, in his report on the first agenda item said that the letter of Marshal Kim Chong-il is a torchlight indicating a new era of the development of an independent overseas compatriots' movement.

"With the belief that we will win, led by respected General Kim Chong-il, we must further strengthen and develop Chongnyon to be a patriotic organisation unfailingly loyal to him and thoroughly apply his idea and leadership to the movement of Koreans in Japan," he said, adding:

"This is the principal action program and the general line of the movement."

After speeches were made, the report on the first agenda item was adopted as a decision of the meeting. A decision on convening the 17th Congress of Chongnyon in Tokyo over September 13-15, 1995, was also adopted according to the second agenda item.

A letter to Marshal Kim Chong-il was adopted at the meeting.

Belarus Government Economic Group Arrives

SK1706213095 Pyongyang KCNA in English 1510 GMT 17 Jun 95

[FBIS Transcribed Text] Pyongyang, June 17 (KCNA) — A Belarus Government economic delegation led by A.A. Dobromdrov [name as received], first vice-minister of foreign economic relations, arrived here today.

It was met at the airport by Kim Chong-u, vice-chairman of the State External Economic Affairs Commission.

Russian Far East University Group Arrives

SK1706213295 Pyongyang KCNA in English 1512 GMT 17 Jun 95

[FBIS Transcribed Text] Pyongyang, June 17 (KCNA) — A delegation of the Russian Far-Eastern State University headed by its first pro-rector Riorita P. Shepeleva arrived here today.

Cambodian Foreign Minister Visits

Arrives in Pyongyang 17 Jun

SK1706212295 Pyongyang KCNA in English 1507 GMT 17 Jun 95

[FBIS Transcribed Text] Pyongyang, June 17 (KCNA) — Minister of Foreign Affairs and International Cooperation of Cambodia Ung Huot and his party arrived here today.

They were met at the airport by Vice-Premier and Foreign Minister Kim Yong-nam, Vice-Minister of Foreign Affairs Choe U-chin and Cambodian Ambassador to Korea Oum Mannorine.

Feted by Vice Premier

SK1806085695 Pyongyang KCNA in English 0820 GMT 18 Jun 95

[FBIS Transcribed Text] Pyongyang, June 18 (KCNA) — The Government of the Democratic People's Republic of Korea gave a reception at the Mansudae Assembly Hall on Saturday in honour of Minister of Foreign Affairs and International Cooperation of Cambodia Ung Huot and his party.

Vice-Premier and Foreign Minister Kim Yong-nam in his speech said that fraternal friendship and deep intimacy which the great leader Comrade Kim Il-song forged in his lifetime with His Majesty Respected King Norodom Sihanouk could not be seen in any human diplomacy.

We are convinced that your government and people will make big strides forward in their work for building a new independent, peaceful and prosperous Cambodia as intended by His Majesty [the] King, he said, and went on:

The great leader Comrade Kim Chong-il values the friendship between Korea and Cambodia and leads people to keep it in bloom down through generations.

We will make all efforts to further expand and develop traditional friendly and cooperative relations with the Cambodian people in various fields in conformity with the demands of the present situation.

Minister of Foreign Affairs and International Cooperation Ung Huot in his speech said that the friendly and cooperative relations between the Kingdom of Cambodia and the DPRK are based on the intimacy between His Majesty King Norodom Sihanouk and his excellency Generalissimo Kim Il-song, the respected leader of the Korean people.

Socialism of Korea is being built better as it is led by his excellency Marshal Kim Chong-il, successor to his excellency respected Generalissimo Kim Il-song and supreme leader of the party, the state and the Army, he stressed.

He wished the DPRK greater success in achieving the peace of the Korean peninsula and regional stability and at the talks with the United States.

He expressed the firm belief that Korea would be reunified in near future in accordance with the 10-point programme of the great unity of the whole nation for the reunification of the country advanced by his excellency respected Generalissimo Kim Il-song.

Visits Kim Il-song's Statue

SK1806090595 Pyongyang KCNA in English 0822 GMT 18 Jun 95

[FBIS Transcribed Text] Pyongyang, June 18 (KCNA) — Minister of Foreign Affairs and International Cooperation of Cambodia Ung Huot and his party, on a visit to Korea, Saturday laid a floral basket before the statue of the great leader President Kim Il-song on Mansu Hill.

Guards of honour of the Korean People's Army were lining up before the statue.

Present there were Vice-Premier and Foreign Minister Kim Yong-nam and officials concerned and Cambodian Ambassador to Korea Oum Mannorine.

The guests laid a floral basket before the statue and made bows with deep reverence for the respected leader President Kim Il-song who devoted all his life to the independence of the world.

Written in the ribbon hanging on the floral basket were letters "His Excellency Generalissimo Kim Il-song, the great leader of the Korean people, will be immortal."

Meets Foreign Minister

SK1906052395 Pyongyang KCNA in English 0457 GMT 19 Jun 95

[FBIS Transcribed Text] Pyongyang, June 19 (KCNA) — Kim Yong-nam, vice-premier and foreign minister of the DPRK, had talks with Ung Huot, minister of Foreign Affairs and international cooperation of Cambodia, at the Mansudae Assembly Hall on June 18.

At the talks the two sides exchanged views on further developing the friendly and cooperative relations between the two countries and on a series of international problems of mutual concern.

Presents Gift for Kim Chong-il

SK1906104695 Pyongyang KCNA in English 1036 GMT 19 Jun 95

[FBIS Transcribed Text] Pyongyang, June 19 (KCNA) — The great leader Comrade Kim Chong-il received a gift from the minister of foreign affairs and international cooperation of Cambodia.

It was handed to Kim Yong-nam, vice-premier and foreign minister, by Ung Huot, minister of foreign affairs and international cooperation of Cambodia, on a visit to Korea.

Signs Ministry Cooperation Pact

SK1906151395 Pyongyang KCNA in English 1508 GMT 19 Jun 95

[FBIS Transcribed Text] Pyongyang, June 19 (KCNA) — An agreement on cooperation was signed between the Ministry of Foreign Affairs of the Democratic People's Republic of Korea and the Ministry of Foreign Affairs and International Cooperation of the Kingdom of Cambodia at the Mansudae Assembly Hall on June 19.

Present at the signing ceremony on the Korean side were Vice-Premier and Foreign Minister Kim Yong-nam and officials concerned and on the opposite side were Minister of Foreign Affairs and International Cooperation Ung Huot and his party and Cambodian Ambassador to Korea Oum Mannorine.

It was signed by Kim Yong-nam and Ung Huot.

Meets Vice President Yi Chong-ok

SK1906151695 Pyongyang KCNA in English 1512 GMT 19 Jun 95

[FBIS Transcribed Text] Pyongyang, June 19 (KCNA) — Vice-President Yi Chong-ok met and had a friendly talk with Minister of Foreign Affairs and International Cooperation of Cambodia Ung Huot and his party at the Mansudae Assembly Hall today.

Present there were Vice-Minister of Foreign Affairs Choe U-Chin and Cambodian Ambassador to Korea Oum Mannorine.

The minister of foreign affairs and international cooperation said that through the Korea visit he came to clearly know the immortal exploits performed by his excellency Generalissimo Kim Il-song in the Korean revolution and socialist construction.

Noting that Cambodia has always actively supported the reunification proposals of the Democratic People's Republic of Korea, he said that the Cambodian people will invariably stand by the Korean people as friends and brothers.

South Korea

Beijing Rice Aid Talks With DPRK Reported

DPRK Said To Request Other Grains

SK2006061595 Seoul MUNHWA ILBO in Korean 20 Jun 95 p 1

[Report by Yi Pyong-chun]

[FBIS Translated Text] North and South Korea are holding final rounds of negotiations in Beijing on 20 June to discuss the amount of rice to be supplied to North Korea and the possibility of supplying grains other than rice.

South Korea proposed that 50,000 tonnes of rice be supplied to North Korea first and that an additional 100,000 tonnes of rice be supplied depending on progress in North-South dialogue. However, North Korea reportedly requested that 150,000 tonnes of grain, which may include corn and wheat, be supplied.

A diplomatic source said: We have no reserves of corn and wheat and must import them from foreign countries and supply them to North Korea. Therefore, the ROK Government is examining the possibility that the supply of imported grains to North Korea may violate the World Trade Organization's rules governing tariffs and subsidies and the Food and Agriculture Organization's rules governing surplus farm products.

The government's position is that the Korean Trade Promotion Corporation [KOTRA] will lend the grain to North Korea's Samcholli General Corporation at low interest rates on a long-term basis and get repayments in grain. It plans to consider this deal to be internal trade between fellow countrymen and, therefore, ignore international prices. It seems that the government will use money from the North-South exchange and cooperation funds to compensate KOTRA for its losses.

Aid To Deplete Cooperation Fund

SK2006003295 Seoul THE KOREA TIMES in English 20 Jun 95 p 9

[FBIS Transcribed Text] The government-run Inter-Korean Cooperation Fund is expected to be all used up by the planned provision of 150,000 tons of rice to North Korea, a Ministry of Finance and Economy official said.

He said the South-North Cooperation Fund, established in March 1991, had accumulated 162 billion won at the end of last year. He estimates the government needs about 150-160 billion won to buy 150,000 tons of rice for North Korea even if the rice comes from the state inventory.

If the money to buy rice comes from the fund, the South-North Cooperation Fund will be left with little money for additional projects, he said.

The government plans to contribute 55 billion won to the fund this year, however.

So far the government has used 2,300 million won from the fund to finance an inter-Korean soccer match and the reunion of dispersed family members on the two sides of the demilitarized zone.

Government Prepares Rice Shipment

SK2006020895 Seoul YONHAP in English 0203 GMT 20 Jun 95

[FBIS Transcribed Text] Seoul, June 20 (YONHAP) — With the Beijing rice talks between South and North Korea nearing an end the government began making preparations Monday to ship the first 10,000 of its 50,000 tons of rice aid to the North.

The preparations include sending unhulled rice for polishing to mills, which are capable of polishing 2,000 tons of unhulled rice a day, after which the polished rice will be put into bags and organized for shipment.

The Ministry of Agriculture, Forestry and Fisheries has already earmarked the first installment of rice for distribution among the provinces.

And because North Korea wanted the rice to be contained in bags with no labels or markings, the ministry told the nation's 25 grain bag makers to send such blank bags to rice mills across the country and produce such bags for the remaining 40,000 tons of the aid package. It also asked the Korea Express Co. to secure 1,000 10-ton trucks to carry the rice to ports.

The rice will be taken to such ports as Mokpo and Kunsan, loaded onto ships which fly flags of third countries and transported to North Korean ports, such as Wonsan, Chongjin, Najin and Nampo.

The time required for the rice to be shipped from South Korean rice mills to North Korean ports will be four to seven days, depending on the location of a North Korean port — one to two days for trucking from a mill to a port in the South, one to two days for loading at a South Korean port and two to three days for voyage to North Korean ports.

The cost of shipping 50,000 tons of the 1993 vintage rice to the North is estimated to cost 70 billion won (92 million U.S. dollar) — 68.2 billion won for rice product, milling, packaging and trucking fees, and 1.8 billion won in loading fees and freight charges.

Government Orders Rice Bags

SK2006044995 Seoul YONHAP in English 0442 GMT 20 Jun 95

[FBIS Transcribed Text] Seoul, June 20 (YONHAP) — The Office of Supply placed an order Monday for 1.4 million polypropylene rice bags with the Korea Polypropylene Industry Cooperative consisting of 31 grain bag makers, according to the Agriculture, Forestry and Fisheries Ministry Tuesday.

The cooperative will supply the ministry by Thursday with the bags for packaging the 50,000 tons of rice South Korea will ship to North Korea, a ministry official said.

Each bag will contain 40 kilograms of rice and bear no label or markings at all, as the bags for the 5,000 tons of rice shipped to the North in July 1991 did.

The ministry has meanwhile instructed 233 rice mills managing some 9,000 government grain warehouses across the country to be ready to polish rice, as soon as the vintage of rice for delivery to the North is set, the official said.

The 1992 and 1993 vintages of rice are likely to be selected for shipment to the North, he added.

Agreement 'Virtually Reached'

SK2006050495 Seoul YONHAP in English 0459 GMT 20 Jun 95

[FBIS Transcribed Text] Seoul, June 20 (YONHAP) — South and North Korea having virtually reached a complete accord on the South's provision of rice to the North [and] will iron out differences concerning some details during the fourth day of meetings at their vice ministerial-level rice talks in Beijing Wednesday, informed sources here said Tuesday.

"An accord has been reached on the scale and delivery method of rice to be supplied to the North. But there are still a few details to talk over," a government official said Wednesday. "Accordingly, it is unclear if the statement announcing the final agreement will be made Wednesday."

Under the accord, South Korea will deliver to the North 50,000 tons of rice on a low-interest long-term credit basis at the earliest possible date, and supply an additional 100,000 tons later.

"What remains now is the announcement of the final agreed statement," the official added. "The announcement will be followed by a review of actions that will be taken to implement the accord."

Upon a successful conclusion of the Beijing rice talks, the government plans to convene a meeting of related ministers under the chairmanship of Deputy Premier Na Ung-pae for the purpose of finalizing action plans to be taken on a pan-governmental level.

The plans will be implemented under the guidance of a working-level measures committee, comprising assistant ministers and bureau directors-general from eight unification-related agencies, chaired by Vice Unification Minister Song Yong-tae.

Reported Agreement on 150,000 Tons

SK2006093595 Seoul KBS-1 Radio Network in Korean 0900 GMT 20 Jun 95

[Report by correspondent Pak Tae-sok from Beijing]

[FBIS Translated Text] During the rice negotiations that resumed today in Beijing, delegations from North and South Korea reached an agreement on the general scope of rice shipments to North Korea and worked out a draft of the agreement. As a result, the two sides will likely sign a final agreement soon.

During the fourth day of talks that resumed today at the Shangri La Hotel in Beijing, the North and South agreed in principle that the total amount of rice to be offered by the ROK will be 150,000 tons; of this, 50,000 tons will be a gratuitous offer by the government, while the remaining 100,000 tons will be supplied by civilian organizations as long-term loans for 10 to 20 years.

Accordingly, the delegations of North and South Korea are presently in recess after having prepared a draft of the agreement. As soon as the North Korean delegation receives instructions from Pyongyang, talks will resume, maybe as early as tonight. They then will begin working out the final document of the agreement.

During today's talks, our side proposed the agreement be signed by the North and South Korean Governments. However, North Korea claimed the agreement should be announced in the name of civilian organizations. As a result, for some time the talks encountered a stumbling block.

FKI Official Departs for Beijing

SK2006100995 Seoul KBS-1 Radio Network in Korean 0905 GMT 20 Jun 95

[FBIS Translated Text] It was learned that during rice negotiations in Beijing between North and South Korea, North Korea strongly demanded that the rice be offered by a civilian organization. In light of this, Chang Chi-hyok, chairman of the Special Committee for North-South Economic Cooperation within the Federation of Korean Industries [FKI], hurriedly departed for Beijing this morning.

His departure caused speculation that as regards the offer of 100,000 tons of rice by civilian organization, in addition to the 50,000 tons of rice which North and South Korea agreed upon as a gratuitous supply, the FKI is participating in the rice talks during their final stage.

Chang Chi-hyok was elected chairman of the Special Committee for North-South Economic Cooperation, which was promptly organized during a conference of the FKI Council held on 13 June. Chairman Chang was accompanied on his trip to Beijing by Om Son-chong, vice president of the Kohap Business Group and another leading member of the group's North Korean affairs team.

Sources in business circles related to North Korean affairs said that during the rice talks in Beijing, which are reportedly in the final stage of negotiation, North Korea strongly demanded the rice be offered by civilian organizations. Therefore, plans are being discussed to make FKI, a civilian organization, the main body for supplying rice instead of the Korea Trade Corporation.

Agreement Expected by 21 Jun

SK2006101495 Seoul YONHAP in English 1003 GMT 20 Jun 95

[FBIS Transcribed Text] Seoul, June 20 (YONHAP) — The South-North rice talks in Beijing have entered a final stage and an agreement is expected to be made public either Tuesday night or Wednesday, a senior Seoul government official said Tuesday.

"Dragging-on of the talks by the North Koreans is no more than their typical last-minute hold-out tactic," he said. "Detailed items as well as kernel matters have already been agreed on."

Denying some reports that the Beijing rice talks were going a rough sailing, the official said a final agreement will be announced very shortly along with a government statement.

In Beijing at the moment, he said, both vice-minister-level talks and a separate contact to adjust the wording of an agreement are going on simultaneously.

"At the vice ministers meeting, the two sides are exchanging opinions on overall matters of South-North relations in addition to the rice question," he added.

Article Views Prospects for Ties

SK2006003895 Seoul THE KOREA HERALD in English 20 Jun 95 p 8

[FBIS Transcribed Text] Now that North Korea has finally agreed to receive rice aid from the rival South, expectations are running high, once again, about the possible resumption of interrupted inter-Korean economic cooperation.

Officials at Seoul's economic ministries are taking out from their document cabinets laws and regulations related with economic exchange between the two Koreas, while the businesses are dusting off their long-shelved North Korean projects.

Having little information about what is exactly going on inside North Korea, however, both the government and business officials say it is too early to get excited. "You cannot rule out the possibility that this may end up as another much ado about nothing," a government official said requesting anonymity.

All economic cooperation and exchange between South and North Korea have been put on hold since the sudden death of North Korean President Kim Il-song last July.

"Still there is some room for hope this time," the official said. He stresses first of all the fact that the South Korean delegation to the rice talks held in Beijing was led by the South Korean head of the inter-Korean economic cooperation committee, noting the negotiation may be an opener for more similar talks in other areas of economic cooperation.

Some pessimistic analysts view the ongoing South-North rice talks as only the stepping-stone for Pyongyang to receive more rice from Japan, though.

Whatever may be the Pyongyang's hidden intention, Seoul appears set to utilize the occasion to resume economic cooperation and open direct channel of dialogue with its reluctant rival in the north, other analysts say.

They pin their hopes on the fact that North Korea will no longer be able to maintain its closed economic system and particularly so now that they have virtually agreed to receive light-water nuclear reactors from South Korea.

Based on the results of the rice talks, the Seoul government will likely hurry to put into action various inter-Korean economic projects both on the governmental and private level which it had drafted as preparations for the first inter-Korean summit meeting scheduled last year, they said.

It also will facilitate the various inter-Korean economic cooperation systems which had been laid idle, including the economic cooperation fund which will be used to help finance the rice supply.

The 50,000 tons of rice to be supplied to North Korea as the first batch of shipment this week will cost 47 billion won, and will be drawn from the fund which has accumulated 220 billion won.

Businesses are also accelerating their preparations for the inter-Korean economic cooperation, as shown by the successful launch of the special committee for that purpose within the Federation of Korean Industries last Saturday.

The companies, however, are taking more cautious approaches than in the past. The South Korean businessmen, which made the rush to North Korea in the wake of the successful settlement of North Korean nuclear issue in Geneva last November, have yet to see any achievement of substance.

Among the ongoing projects by several businesses, mostly likely to be materialized are Daewoo Group's light industrial plant construction in Nampo and Kohap Group's dispatch of technical manpower, business sources said.

North 'Negative' to Rice Offer From Taiwan

SK2006032795 Seoul CHUNGANG ILBO in Korean 20 Jun 95 p 2

[Report by Pak Pyong-sok from Beijing]

[FBIS Translated Text] A Western diplomatic source stated on 19 June that Taiwan proposed to Pyongyang in March that it would provide rice to North Korea, but North Korea has not yet made its decision.

The source stated that North Korea began to distribute its rice from military supplies to ordinary people beginning this month because of the continuous and serious food shortage situation.

Despite its serious food shortage problem, North Korea has shown a negative position and has not yet decided on Taiwan's proposal. This is because it will run counter to China's firm "one China" principle if North Korea accepts rice from Taiwan.

DPRK Food Shortage Statistics Analyzed

SK2006041795 Seoul HANGUK ILBO in Korean 20 Jun 95 p 13

[Article by Yi Song-chol]

[FBIS Translated Text] The shortage of grain in North Korea was 2.79 million tonnes in 1994 and the shortage this year is expected to be approximately 2.6 million tonnes.

According to ROK authorities concerned and the Korea Development Institute on 19 June, the total grain demand in North Korea was 6.67 million tonnes in 1994, but its 1993 grain production (for consumption in 1994), including rice, barley, and corn, only met 58.2 percent of the demand at 3.88 million tonnes, leaving a deficit of 2.79 million. North Korea's grain imports from the PRC and Southeast Asia were no more than 360,000 tonnes, and the net shortage reportedly was over 2.4 million tonnes.

Among grain production, foxtail millet and corn accounted for 1.963 million tonnes and rice for 1.317 tonnes.

This year, the total grain demand in North Korea is 6.72 million tonnes. Even though North Korea reportedly saw an improved yield last year, this year's supply still remains at 4.125 million tonnes (61.4 percent of the demand), resulting in a 2.595-tonne shortage. Thus, rice aid from the ROK and Japan would certainly ease the famine, but would not be a total solution to the food shortage.

Meanwhile, the food import conditions for North Korea are worsening. In the past, North Korea imported rice and grain in bulk from the PRC at a "socialist goodwill price," which is virtually grant-type aid. However, the PRC is suffering from its own food shortage, and the three northeastern PRC provinces, which were main food sources for North Korea, are reluctant to send grain to North Korea. The PRC is asking North Korea to purchase grains with hard cash (exchangeable with dollar or yen) at international prices, instead of the "socialist goodwill price." Facing a serious shortage of foreign currency, North Korea is unable to purchase grains. Inactive domestic production and aggravated import conditions are adding to the food shortage in North Korea.

Business Talks in PRC With DPRK Firms

SK2006124895 Seoul YONHAP in English 1241 GMT 20 Jun 95

[FBIS Transcribed Text] Seoul, June 20 (YONHAP) — A number of South Korean industries are expected to have group business negotiations with a North Korean organization in China shortly.

An official at the Korea Trade Promotion Corp. (KOTRA) said Tuesday the group negotiations mainly for "processing on commission" businesses would take place in China's special economic district of Shenzhen for four days beginning Friday this week.

About 20 South Korean medium-size industries specializing in textile, apparel and toys would take part in the talks, he said, adding that the North Korean organization in the negotiations will be either the Samcholli General Co. or the External Economy Commission.

Officials from major business groups have been to North Korea but this is the first time medium-size industries are having group business negotiations with North Korea.

Simplified Remittance Procedures for N-S Trade

SK2006050995 Seoul MAEIL KYONGJE SINMUN in Korean 20 Jun 95 p 1

[By reporter Hong Ki-yong]

[FBIS Translated Text] The government will come up with guidelines on investing in the North, in connection with the settlement of the DPRK-U.S. light-water reactor talks and South-North rice negotiations, that will simplify remittance procedures and activate economic cooperation between the South and North. It plans to put them into effect starting next month.

In this regard, as the first exemplary joint investment project between the South and North, it seems that Daewoo, which is promoting the operation of its Nampo plant from September, will be the first company to apply these investment guidelines.

On 19 June, Chong Tok-ku, director of the Economic Cooperation Bureau of the Board of Finance and Economy, revealed: "To invigorate business investment in the North, a guideline on investing in the North, which is a special regulation of the foreign exchange control regulations, will be provided by the Board of Finance and Economy after consultations with the Ministry of the National Unification Board [NUB], and will be announced sometime this month."

Under the basic policy of allowing companies to invest in the North as an exemplary project, the government plans to simplify remittance procedures by allowing companies to simply notify the Export and Import Bank when approval for the project is received from the NUB, without applying separately under the foreign exchange control law.

However, since an investment guarantee agreement has yet to be concluded between the South and North, plans are being made so that the companies concerned are held accountable for losses from investments in the North, such as through insurance.

Also, in the early stages of investing in the North, by transferring idle domestic production facilities in primary and light industries to the North, businesses are to attract projects that can help promote national competitiveness and exports.

Nevertheless, since the entertainment and service businesses have a limit on how much they can invest, and there is a possibility that imports of the North's production goods could undermine the domestic production base, it will be controlled at the approval stage of investment.

Nation To Become World's Largest CRT Producer

SK2006003795 Seoul THE KOREA TIMES in English 20 Jun 95 p 8

[FBIS Transcribed Text] The production and export figures for picture tubes, mainly cathode ray tubes (CRT), in Korea are expected to become the largest in the world in 1997, beating out strong competition from Japan.

Statistics showed that production and shipments reached 960 million dollars and 480 million dollars respectively in the first four months of this year, up 30.5 and 24.1 percent over last year.

The Ministry of Trade, Industry and Energy [MOTIE] said yesterday that favorable trends in the market should continue through the turn of the century with Korean companies taking 33.8 percent of the global market by 1997.

MOTIE officials said the production volume of color television sets is increasing constantly in regions like the European Union and Eastern Europe, thus increasing the demand for TV tubes.

They said Korean companies are thriving in the global market with Japanese companies losing their competitiveness due to the strong yen and more and more investments are being made in research and development as well as facilities.

Korean companies have an annual production capacity of 55.3 million TV tubes this year but this should increase to 78 million by the end of next year, surpassing Japan's 66 million units.

"The CRTs for computers are changing from 14 inches to 15-17 inches and domestic companies are uniquely positioned to capitalize on the expanding market," one MOTIE official explained.

Samsung Electron Devices is leading the field in production and exports and should complete manufacturing facilities with annual production capacity of 6 million units with an investment of 284 million dollars in Malaysia and Mexico by the end of the year.

Foreign Ministry Concerned at Leak of Survey

SK2006072895 Seoul YONHAP in English 0714 GMT 20 Jun 95

[By Hwang Tu-hyong]

[FBIS Transcribed Text] Seoul, June 20 (YONHAP) — The Ministry of Foreign Affairs is trying to determine who leaked the controversial document regarding the survey of foreign local autonomous systems amid arguments between the ruling and main opposition parties who are denouncing each other and attempting to use the case for political gains.

"We are trying to find out who leaked the classified document, although it will take some time," the Foreign Ministry's Inspector-General Choe Kyong-po said Tuesday. "It is very difficult for us to investigate the leaked document case because we assume that the leak took place in one of the 18 overseas missions which received the documents."

Choe, however, said that his ministry is mobilizing all of its state-of-the-art technology to detect who leaked the document which ordered last March a survey of foreign local autonomous systems in advanced countries for use in the country's local elections slated for June 27.

Denying reports that the ministry sent the document in order to serve the ruling Democratic Liberal Party's political plan to delay the country's local elections, Director General Kim Yong-ki of the ministry's Cultural Affairs Bureau said that he expects to know the outcome of the intra-ministerial investigation in about 10 days.

"It is almost impossible for the ministry to have conducted the survey for such political gains because we all knew at that time of the document's issuance and that the director of the Agency for National Security Planning (NSP) at the time was sacked for the leaking of an NSP document discussing a possible delay of the local elections," Kim insisted.

A Foreign Ministry official claimed that there would be no Foreign Ministry official who would dare fabricate the document.

He presumed that the DP [Democratic Party] might have obtained the original copy of the document, which just ordered surveys of local autonomous systems without any reference to delaying the proposed June 27 local elections, and fabricated one containing instructions for overseas missions to conduct surveys aimed at gathering information useful for postponing the local elections.

"The timing of the release of the case to a local monthly magazine also makes me feel that the opposition party played with the press to use the case for gains in the local elections just one week away," said the official.

He deplored that there still exist officials within the foreign and other ministries who put more emphasis on regionalism than on national interests. He noted there have been some instances in which regionalism-oriented officials reveal classified documents to a certain political party.

"We should be very wary of those people who want to take advantage of regionalism to achieve their own political purposes," he said.

The ruling Democratic Liberal Party on Tuesday accused the DP of "plotting to deceive people by turning over to the press a fabricated document designed to give impression that the government once considered delaying the local elections." It urged the DP to reveal the truth about whether the DP itself fabricated the document or it had obtained a fabricated one.

DP Spokesman Pak Chi-won meanwhile retorted that his party obtained the document from a reliable source, adding that it's very true that the ruling party was plotting to delay the local elections at the time of the document's issuance.

Leak Probed, Prosecution Informed

SK2006080295 Seoul YONHAP in English
0752 GMT 20 Jun 95

[FBIS Transcribed Text] Seoul, June 20 (YONHAP) — The Ministry of Foreign Affairs Tuesday brought to the prosecution a case in which fabricated documents were leaked in order that investigators might bring to light how the document was fabricated, Foreign Ministry Spokesman Yu Kwang-sok said Tuesday.

Expressing deep regret about the leaked document concerning a survey of foreign local autonomous systems in advanced countries, Yu said the ministry has been conducting its own investigation into the case.

The Foreign Ministry, meanwhile, wants the Supreme Prosecutor's Office to conduct an investigation as well, he said.

A local monthly magazine reported in a recent edition that a leading opposition lawmaker revealed a Foreign Ministry document which he insisted instructed Foreign Ministry missions overseas to conduct surveys of local autonomous systems in advanced foreign countries to gather information useful for getting the June 27 local elections delayed.

Archdiocese Rejects Prime Minister's 'Regret'

SK2006123395 Seoul YONHAP in English
1212 GMT 20 Jun 95

[FBIS Transcribed Text] Seoul, June 20 (YONHAP) — The Catholic Seoul Archdiocese said Tuesday evening it could not accept the regret recently expressed by Prime Minister Yi Hong-ku over police intrusion into religious precincts but it was withholding any further protest actions in favor of national reconciliation and unity.

In a statement read at the "Second Mass for the Restoration of Sacred Precincts" held at the Myongdong church from 7 p.m. [1000 GMT], the archdiocese said Prime Minister Yi's statement did not contain any "genuine apology or reflection."

It said that though no further government reflection can be expected, the Catholic Church would withhold any more protest move in favor of national reconciliation and unity at this time when the country is faced with important tasks like local elections and inter-Korean questions.

In a preaching at the second protest mass attended by about 10,000 priests and laymen, Bishop Kim Ok-kyon said the sacred area the Myongdong Cathedral tries to safeguard is a moral and spiritual precinct, namely, the arena of dialogue and reconciliation.

"Nonetheless, the government attempted to resolve the frictions of times with physical strength," the bishop said.

After the mass, participating Catholic priests and followers staged a silent demonstration in the front of the Myongdong church for about 30 minutes.

Meanwhile, a group of youthful priests of the Seoul Archdiocese and representatives of the 14 dioceses across the country formed a separate committee and decided to continue to press for the president's apology and pledge to prevent the recurrence of similar incidents.

Parties' Strength in Given Localities Analyzed

SK2006083095 Seoul YONHAP in English
0813 GMT 20 Jun 95

[FBIS Transcribed Text] Seoul, June 20 (YONHAP) — With the local elections just a week away, both government and opposition parties are gearing up their campaigns, sorting the electoral districts into three categories when analyzing popular support — strong, even and weak.

They are focusing their campaign strategies on maintaining their votes in "strong" areas, while increasing stumping tours by party leaders in the "even" and "weak" areas.

The ruling Democratic Liberal Party considers Pusan, Inchon, Kyonggi and North and South Kyongsang Provinces as its "strong" areas, while Seoul, Taejon, Kangwon, North Chungchong, North Cholla and Cheju it considers "even," and Kwangju, Taegu, South Chungchong and South Cholla as "weak."

Based on this judgment, the party entered the final phase of its campaign strategy planning to win three to four of the six even provinces and large cities and turning the tide in its favor in a few weak provinces and large cities at the eleventh hour.

Chairman Yi Chun-ku and Secretary-General Kim Tokyong barnstormed in Seoul and Inchon, respectively, Tuesday, and they will embark on stumping tours of Kangwon, North Chungchong, North and South Cholla and Cheju Provinces Wednesday.

In their speeches, both Yi and Kim criticized Chairman Kim Tae-chung of the Asia-Pacific Peace Foundation for his "return to politics" and his calls for a repeal of the National Security Law and his tacit acceptance of the parliamentary cabinet system as a government form. Kim is currently stumping for opposition Democratic Party candidates.

They also brought under fire United Liberal Democrats President Kim Chong-pil for his demanding of a parliamentary cabinet system, while calling on voters to make the local elections an opportunity to achieve a generational shift in politics.

The opposition Democratic Party considered that with Chairman Kim Tae-chung's stumping tours, its candidates have secured a leading position in Kwangju and in North and South Cholla Provinces, while the election tides in Seoul and Kyonggi Province have turned in its favor.

The party also expects it will win four to five provinces and large cities.

But in Pusan the party's leading position due to candidate No Mu-hyon's personal reputation has been harmed by Chairman Kim Tae-chung's stumping and the contest in the city has become an even race for the party.

In addition, democratic candidates are encountering tough competition in Inchon, Taejon, North Chungchong and Cheju, according to the party.

The Democratic Party decided to end its leaders' stumping tours in even and weak areas by mid-week to focus their efforts on Seoul and Kyonggi.

President Yi Ki-taek, touring South Chungchong Province Tuesday, appealed to residents there to support Democratic candidates, arguing that voting for the only opposition party that is capable of taking over power is the real judgment of the present government.

Chairman Kim Tae-chung toured eight areas of South Cholla Province Tuesday, the third day of his Cholla area stumping tour, to appeal for the absolute support of democratic candidates.

The United Liberal Democrats (ULD) expect South Chungchong is strong and Taejon and Kangwon as even, claiming it will win one large city and two Provinces.

President Kim Chong-pil toured northern Kyonggi and western Kangwon Tuesday, appealing to residents there to support ULD candidates in the elections.

Absentee Voting Begins for Military Services

SK2006053295 Seoul YONHAP in English 0444 GMT 20 Jun 95

[FBIS Transcribed Text] Seoul, June 20 (YONHAP) — Absentee voting for the June 27 local elections started Tuesday at each of the three military branches — Army, Navy and Air Force.

Some 675 servicemen from the Capital Defense Command cast their ballots at a polling station established in Sadang Primary School, Tongjak-ku, Seoul.

About 1,800 naval servicemen participated in absentee voting procedures aboard a navy vessel in the West (Yellow) Sea, while some 1,095 airmen conducted their voting at a polling booth established in the Sujong-ku Ward, Songnam, Kyonggi Province.

The Defense Ministry said that a total of 530,790 absentee votes will be cast by military servicemen before Thursday's deadline.

Lawmakers Booked for Election Law Violations

SK2006075195 Seoul YONHAP in English 0732 GMT 20 Jun 95

[FBIS Transcribed Text] Seoul, June 20 (YONHAP) — A total of 23 National Assemblymen have either been booked or are under investigation by the prosecution for alleged election law violations with respect to the June 27 local elections.

Justice Minister An U-man reported to a State Council meeting Wednesday that 12 incumbent lawmakers have been booked and 11 more are undergoing prosecution probes for suspected violations of election laws.

In the meantime, election law violators ferreted out by the prosecution totaled 1,169 as of Tuesday, of whom

557 were booked and 612 underwent interrogation, 79 of whom were taken into custody.

By political party, the detained are comprised of 24 from the Democratic Liberal Party, 16 from the Democratic Party, one from the New People's Party and one from the United Liberal Democrats, and 37 independents.

By charges, 260 cases involved vote buying with cash, gifts and entertainment, 93 involved the preparation and distribution of illegal printed matter, 52 black propaganda cases, and 19 cases of illegal electioneering through magazines and newspapers.

Kim Yong-sam Meets Corruption Commission Members

SK2006080095 Seoul YONHAP in English 0741 GMT 20 Jun 95

[FBIS Transcribed Text] Seoul, June 20 (YONHAP) — President Kim Yong-sam hosted a luncheon for both new and former chairmen and other members of the Commission for the Prevention of Corruption (CPC), an advisory organ to the chairman of the Board of Audit and Inspection, at Chongwadae [presidential offices] Tuesday.

President Kim asked CPC to contribute to the building of a fair society by steadily propelling its drive to wipe out corruption in solidarity with civic organs, while presuming that irregularities and corruption should be scraped out first in order for the country to move towards becoming a world's leading nation in the coming century.

Prior to this, President Kim awarded the grand order of Mugungwha to former and first CPC Chairman Yi Se-chung, who had served there over the last two years.

So Yong-hun was elected on Saturday as the second chairman of the CPC, which was launched on April 9, 1993, immediately after Kim's election to the presidency.

Kim Yong-sam Sees Need for 'Generational Shift'

SK1906090095 Seoul YONHAP in English 0844 GMT 19 Jun 95

[FBIS Transcribed Text] Seoul, June 19 (YONHAP) — Ruling and opposition parties on Monday reacted differently to President Kim Yong-sam's remarks regarding the necessity for a generational shift in the next presidential election which he voiced during a recent interview with the U.S. weekly TIME magazine.

The ruling Democratic Liberal Party (DLP) welcomed President Kim's assertions describing them as "extremely natural, as natural as a stream flows downwards." President Kim reportedly claimed in the interview that the next president of South Korea will be elected from a group of new generation candidates.

Most of the DLP members are of the opinion that President Kim's remarks are an expression of his clear-cut abhorrence of the suspected attempts by two "old generation figures," namely Kim Tae-chung and Kim Chong-pil, to politicize the forthcoming local elections.

The president's assertion, they pointed out, is designed to drive a wedge against former opposition leader Kim Tae-chung's suspected move for a political comeback and the regionalism-oriented politics reportedly advocated by Kim Chong-pil.

Other DLP members analyzed that the president's remarks are aimed at countering Kim Tae-chung's self-asserted logic of the so-called "equal rights among regions," which has emerged as a new political issue during the ongoing election campaigns for the June 27 local polls.

DLP Chairman Yi Chun-ku and DLP Secretary-General Kim Tok-yong, however, reacted cautiously and abstained from official comment because they are considered by many party members as forerunners of the new generation.

However, chief policymaker Yi Sung-yun attached great significance to the president's remarks which declared the end of the "era of three Kim's" — Kim Yong-sam, Kim Tae-chung and Kim Chong-pil — and expressed his intention to remove regionalism.

DLP Spokesman Pak Pom-chin emphasized the need for a generational shift in an indirect manner by saying that opinion polls have revealed that the majority of people support the generational changes in politics.

The major opposition Democratic Party (DP) were split among factions regarding President Kim's assertion, although party spokesmen officially commented that, "It is merely President Kim's personal hope and it is the people who have the right to determine the president through fair elections."

Members of the DP's largest faction, Tongyo-tong, claimed that the issue of who will become the next president of the country will be determined by the people.

Rep. Han Kwang-ok, vice president, said that he did not know the reason why President Kim raised the issue of a generational shift at a time when the local elections are just around the corner.

Another Vice President Cho Se-houng insisted that the issues regarding the election of South Korea's next president should be determined by the people, saying that President Kim should only devote himself to administering the state during the remainder of his term in office.

But DP President Yi Ki-taek and a group of reformist legislators including Yi Pu-yong accepted President Kim's remarks as natural consequences reflecting the trends of our time.

DP President Yi told reporters that President Kim's remarks are the same assertions he has made many times in the past, adding, "Kim's statements are quite natural, they reflect the trends of our time."

Kim Tae-chung Criticizes Remarks

SK2006065095 Seoul YONHAP in English
0621 GMT 20 Jun 95

[FBIS Transcribed Text] Kangjin, South Cholla Province, June 20 (YONHAP) — Kim Tae-chung, chairman of the Peace Foundation for the Asia-Pacific region, said on Tuesday that he was opposed to the call for a generational shift in the political world, dubbing it "an anti-democratic theory of former President Pak Chong-hui's military regime designed to force democratic figures out of the political world."

Kim, making a stump speech here in support of Democratic Party (DP) candidates running in the upcoming local elections, criticized President Kim Yong-sam's remarks for the "generational shift in the political world."

President Kim said in a recent interview with TIME magazine released Monday, "I am quite sure that at the end of my presidency, more than 90 percent of the people will expect that a change of generations... I can tell you with absolute certainty that in the next presidential election someone from the new generation will be elected."

In an apparent reaction, chairman Kim said, "in the 1970s, both President Kim and I advocated that leaders in their 40s should lead the political world. But we never insisted on that kind of artificial generational shift."

Kim noted that, at that time, President Kim, arguing that he could never tolerate any artificial generational shift, fiercely criticized then-president Pak.

"The generational shift should be realized by the people, not by a decision of the president," Kim said.

He added, "frankly speaking, I have neither declared a comeback to the political world nor expressed support to the parliamentary cabinet system. I only talked a little about matters of principles."

Opposition Attacks Kim Tae-chung, Kim Chong-pil

SK2006020295 Seoul YONHAP in English
0150 GMT 20 Jun 95

[FBIS Transcribed Text] Pusan, June 20 (YONHAP) — Vice president of the opposition Democratic Party (DP) Rep. Yi Pu-yong Monday openly criticized Kim Tae-chung, chairman of the Peace Foundation for the Asia Pacific region, and Kim Chong-pil, president of the United Liberal Democrats (ULD), urging them to retire from politics.

Rep. Yi, delivering a campaign speech at Pusan National University in support of No Mu-hyon, a DP candidate in the Pusan mayoral election, said, "Chairman Kim's theory of 'equal rights among regions' is nothing but a 'divide-and-hold-your-own-ground theory.'

"How can a man who says that, realize the national unification?" he asked.

Rep. Yi also criticized ULD President Kim Chong-pil, saying that Kim was the leader of a coup d'etat which overrode the local autonomous system that was inaugurated back in 1952, in armored tanks.

"It is just a historical irony to see that Kim Chong-pil who also overthrew a parliamentary cabinet in 1961 is now talking about the parliamentary cabinet system and local autonomy," he said.

He urged the two political leaders to retire after they finish their duties in the upcoming local elections slated for June 27.

Bribery Trial Set for 12 Leading Businessmen

SK2006014495 Seoul YONHAP in English
0124 GMT 20 Jun 95

[FBIS Transcribed Text] Seoul, June 20 (YONHAP) — A Seoul district court judge on Wednesday transferred to a formal trial 12 business executives who had been indicted at a summary court on charges of bribing former Labor Minister Yi Hyong-ku while he served as governor of the Korea Development Bank.

Announcing his decision to get tough on the bribery case, Judge Yi Yun-sik said, "Of the 23 businessmen previously indicted for fines at a summary court, 12 will be referred to a formal trial as the amount of the bribes they gave are so large that a mere fine is not enough."

The 12 businessmen were charged for having given Yi more than 20 million won each in bribes.

The decision was reached in an attempt to maintain equilibrium with similar bribery cases during the crackdown on corruption and irregularities following the inauguration of the incumbent administration in 1993, the judge explained.

The 12 business leaders allegedly gave Yi bribes ranging from 20 million to 25 million won between March 1991 and June 1993.

The businessmen are Kang Chin-ku, chairman of Samsung Electronics Co., Pak Mun-tuk, president of the Choson Brewery Co., Pak Kun-pae, chairman of the Haitai Business Group, Pyon Kyu-chil, vice chairman of the LG Group, Pak Sung-chol, president of Hungsong Industrial Co., Kim Yong-chun, chairman of the Sungsin Cement Industrial Co., Yi Pom-chang, vice chairman of Kia Motors Co., Yi Yong-pae, president of Haitai Confectionery Co., Pak Se-yong, president of Hyundai Merchant Marine Co., Hyon Chae-hyon, chairman of Tongyang Cement Corp., Cho Hyo-chae, president of Hyunyong Iron and Steel Co., and Yi Chung-ki, president of Hannam Industrial Co.

Judge Yi, meanwhile, fined 11 other businessmen including Kim Hyon-chol, chairman of the Sammi Group, 1 million won as demanded by the prosecution, who gave former Labor Minister Yi bribes of less than 10 million won.

Ethics Platform for Judges Established

SK1906085595 Seoul YONHAP in English 0809 GMT 19 Jun 95

[FBIS Transcribed Text] Seoul, June 19 (YONHAP) — An ethics platform for judges was established and proclaimed for the first time in South Korea's judicial history on Monday.

The Supreme Court announced that it would start enforcing on July 1 a 10-point ethics platform which stipulates proper way for judges to behave while on and off bench. The new regulations emphasize the virtues of integrity, impartiality and dignity befitting judges.

Every new judge will be required to make a verbal oath agreeing to abide by the ethics platform before the chief justice when he or she is commissioned.

The 10 norms of conduct include firm establishment of constitutionalism, protection of judicial independence, upkeep of integrity, impartiality and dignity, and avoidance of contacts with lawyers or prosecutors which might infringe upon the impartiality of trials.

Burma

Cabinet Reshuffle Strengthening Defense Services

BK1806092795 London BBC in Burmese to Burma 1345 GMT 16 Jun 95

[Dispatch by Larry Jagen]

[FBIS Translated Text] The Burmese military government has announced a cabinet reshuffle in which six army generals, including four regional military commanders, were appointed as ministers. A new ministry has also been formed so there are now 36 cabinet members. All but five of the cabinet ministers are either retired or active high-ranking military officers. It is believed that the reshuffle was made to strengthen and solidify the Defense Services. Correspondent Larry Jagen from the BBC reports:

The westerners in Rangoon believe that the reshuffle and new appointment within the SLORC (State Law and Order Restoration Council) government was originally planned with the aim of promoting a new generation of military leaders. It has been learned from the highly reliable sources that during the last few years, there has been dissatisfaction and unhappiness among the Burmese military officers because they had no opportunity for promotion. There were no changes in the important military commander posts for more than two years but now six high-ranking military posts are vacant.

It seems the appointment to the military commander posts will not take place immediately. Moreover, appointments are hardly announced to the public. The commanders of the Northeast Military Command, the Southern Military Command, the Eastern Military Command, and the Central Military Command were appointed as ministers and recalled to Rangoon. It is still not clear why they were recalled to Rangoon as ministers, and why commanders of eight other military commands were not treated the same way. Some believe that the appointment of Lieutenant General Maung Hla, one of the Defense Services' operational commanders, as cabinet minister is aimed at paving the way to start the peace negotiations with Karen rebels. A source along the Thai-Burmese border says Lt. Gen. Maung Hla is highly responsible for the recent offensives against the KNU [Karen National Union]. The reshuffle was made to strengthen the Defense Services' position within the government. At present, all the current SLORC members are high-ranking military officers and they hold ministerial posts.

Three years ago, the Burmese military authorities said the government will work towards increasing the civilian administration in Burma and appointed high-ranking civilians as ministers and deputy ministers. Two civilian ministers among the five were removed in this reshuffle. Rangoon residents believe the reshuffle does not represent any significant political change because the reshuffled ministerial posts themselves were not very significant. Though the commanders who have been appointed ministers were not removed from their posts, the Rangoon residents beleive that they were demoted. It seems the Burmese military leaders have eased the dissatisfaction in the Defense Services while strengthening the government. However, the new-generation military officers will continue to face constraints and restrictions in their possible promotion as along as the old generals are in power.

Rangoon Commander Meets Local Officials

BK1906095995 Rangoon Radio Myanmar in Burmese 1330 GMT 18 Jun 95

[FBIS Translated Text] Lieutenant General Myo Nyunt, member of the State Law and Order Restoration Council and minister of religious affairs, and Brigadier General Khin Maung Than, chairman of the Yangon [Rangoon] Division Law and Order Restoration Council and commander of the Yangon Command Headquarters, attended and addressed a meeting of divisional-level departmental authorities and chairmen of district and township law and order restoration councils in the conference hall of the Yangon Division People's Police Force at 1330 today.

Military Delegation Returns From Pakistan

BK1806151695 Rangoon Radio Myanmar in Burmese 1330 GMT 18 Jun 95

[FBIS Translated Text] A high-level Myanmar [Burmese] Defense Services goodwill delegation led by Major General Tin Hla, quartermaster general of the Ministry of Defense, returned to Yangon [Rangoon] International Airport [YIA] by air this evening after a goodwill visit in Pakistan. The visit was made at the invitation of the chief of the Pakistan Army Staff to discuss friendship between the Myanmar Defense Services and the Pakistani Armed Forces and cooperation in the mutual interests of the personnel of both armed forces.

The delegation was welcomed at YIA by Lieutenant Gen. Tin U, secretary-2 of the State Law and Order Restoration Council [SLORC] and chief of staff of the Army; Lt. Gen. Min Thein, minister in the SLORC chairman's office; retired Air Vice Marshal Abbas H. Mirza, Pakistani ambassador to Myanmar; Brigadier Than Tun, joint adjutant general; Brig. Gen. Aung Thein, director of public relations and psychological warfare; and high-ranking military officials.

Development of Agriculture Sector Discussed

95SE0141A Rangoon THE NEW LIGHT OF MYANMAR in English 15 May 95 p 1

[FBIS Transcribed Excerpt] YANGON [Rangoon], 14 May - Secretary-2 of the State Law and Order Restoration Council Lt-Gen [Lieutenant General] Tin Oo and ministers discussed agricultural production with farmers at the Teachers Training School in Hleu at 7 am today. [passage omitted]

The Secretary-2 said farmers residing in the rural areas constitute a vast majority in the country. He underscored that Chairman of the State Law and Order Restoration Council Senior General Than Shwe has given guidance to take practical measures to raise the standard of living of farmers and boost their earnings.

Accordingly, he said, the Ministry of Agriculture has been building irrigation networks, supplying quality strains, disseminating advanced techniques and providing fertilizers and farm implements to help farmers.

The Secretary-2 spoke of the need for the farmers to work hard in response to all-round assistance of the State.

The three principle objectives—to achieve surplus in paddy and sufficiency in edible oil, and to produce more export items such as beans and pulses and industrial crops—will be realized for economic development of the State through hard work, he said.

The Secretary-2 noted that agricultural development will contribute toward establishment of a peaceful, modern and developed nation. Farmers must be dutiful at a time when a social revolution is being waged, he said.

He remarked that the State spent millions of kyats in building the Ngamoeyeik Reservoir and water from the facility should therefore be put to use most efficiently in agricultural activities.

He stressed the need for the nation to build a strong economy to become a modern one in the long run.

He said neither economic activities nor development projects could be peacefully implemented in the absence of the rule of law and prevalence of peace and tranquility. The State, therefore, has given priority to this, he said.

The Secretary-2 indicated that roads linking villages, those linking villages and towns, and those linking towns are being built for smooth flow of goods from the rural areas to the markets and for national solidarity through better communications between regions. All can see the extent of work in building roads, railroads and bridges, he said.

He also spoke of significant progress made in efforts to draft the constitution through the National Convention being held with the participation of delegates from different strata.

He said political and economic situation in the country has improved considerably. One armed group after another has returned to the legal fold to join the Government in nation-building projects and just a few remain to do so, he said.

He called on farmers to play a dynamic role to build a peaceful, modern and developed nation.

POLICIES

Speaking next, Minister for Agriculture Lt-Gen Myint Aung said discussions were held with farmers to let them know policies of the agricultural production and methods employed so that they will be able to boost agricultural production.

He recalled economic policies adopted in Myanmar during different periods that aimed at establishing an agro-based industrial nation. However, he said, there was backwardness in economic progress of farmers due to weakness in concentration, financial assistance and dissemination of techniques in the aricultural sector. [passage omitted]

Success has been achieved as cultivation, milling and storage can be carried out freely under market oriented economic system, he said.

Living conditions of farmers, he said, have improved markedly as investments were made in agricultural sector on priority basis and correct policies adopted.

He added that the State has been striving to achieve full acreage, boost per-acre yield and increase multiple cropping. Through ploughing in advance, unprecedented, paddy can be cultivated in the month of Kason depending on the rain falls. Previously cultivation of paddy was carried out one or two months later.

Hence, he said, the first crop can be cultivated and harvested early and the second crop can be cultivated in time. Besides supplying inputs including fertiliser, he said, the State has been building dams to supply water and increase the per-acre yield.

He noted that after introducing triple cropping on 30,000 acres irrigated by Ngamoeyeik Reservoir, the sown acreage will go up to 90,000. The earnings, he said, will be tripled for farmers.

Early ripening paddy will be cultivated in May or June as the first crop. If farmers can manage to grow paddy in the areas ranging from 150,000 acres to 180,000 acres, per acre yield can be 80 baskets, he said. The second crop of paddy can be harvested in December. Summer sesamum can be cultivated as the third crop, he added.

In some areas, he said, paddy, pedisein and summer paddy can be cultivated as first, second and third crops respectively. Farmers can increase their earnings after cultivating three crops a year in the fields irrigated by Ngamoeyeik Reservoir, he said.

He pointed out that if farmers realize the agricultural policies of the State and act accordingly, they will increase their earning and improve their economic standing. He then urged them to follow the crop patterns laid down by the State.

Cultivation of paddy precisely following early monsoon will enable farmers to grow the second crop easily and grow the third crop in time, he said.

He then called on all concerned to try to understand the policies and organize farmers in order to develop national economy and then boost individual income of farmers at the end of 1995-96, the final year of the four-year plan. [passage omitted]

Brunei, Malaysia & Singapore

Malaysia

Defense Minister on Peacekeeping Role in Bosnia

BK1906151595 Kuala Lumpur Radio Malaysia Network in Malay 1200 GMT 19 Jun 95

[FBIS Translated Text] The request by Malaysia to increase the number of its peacekeepers in the Malaysian battalion (MALBAT) to the level of a Malaysian force (MALFORCE) has been turned down by the United Nations. The reason is that the situation does not require this. Instead, the UN has proposed that Malaysia increase the MALBAT to between 200 and 300 soldiers.

Speaking at a ceremony to welcome the return of 27 Malaysian military observers at the Kuala Lumpur International Airport in Subang today, Defense Minister Datuk Syed Hamid Albar said that the withdrawal of the military observers from Bosnia did mean that Malaysia's peacekeeping role was becoming less important. On the other hand, the MALBAT is expected to play a more effective role.

[Begin Syed recording] We will communicate with the UN and make our views known on this matter. If the UN decides not to allow us to send additional personnel to the MALBAT, even though we wished to, we agree with the decision. Perhaps we will request that more than the UN-suggested number of personnel be added to the MALBAT. But this does not mean that we are going minimize our security and defense needs for our soldiers to play their role in the MALBAT. We have to look at the various options [preceding word in English] for the peacekeeping role in which the MALBAT can participate. [end recording]

South African Military Hardware Purchase Planned

95P30111A

[FBIS Editorial Report] The 24 May Kuala Lumpur BERITA HARIAN in Malay on page 7 reported that Malaysia has signed two agreements with South Africa for the purchase of military hardware worth $30 million. According to Deputy Defense Minister Dr. Abdullah Fadzil Che Wan, the first agreement was for the purchase of warfare equipment costing $29 million, while the second was for grenades and grenade launchers worth about $260,000.

The newspaper mentioned that Malaysia and South Africa have discussed joint military training. Malaysia is also looking into the possibility of procuring aircraft parts, particularly parts for the Alouette helicopter and the MB-399 trainer aircraft.

Mahathir Sees Nation as Aerospace Parts Supplier

BK1706135195 Kuala Lumpur THE STAR in English 17 Jun 95 p 2

[Report by Hoo Ban Khee]

[FBIS Transcribed Text] Paris — Malaysia can be a top player in the aerospace industry by being a major supplier of composite and component parts, said Datuk Sri Dr. Mahathir Mohamed.

The prime minister, speaking to journalists at the Langkawi International Maritime and Aerospace exhibition (Lima '95) reception here on Thursday, stressed, however, that Malaysia has a lot to do if it is to catch up.

He pointed out that it was not the government's intention to design another Boeing 747 but it had set its sights on composite technology.

"We have identified the composite industry as an area most suitable to us because of our skilled labor and low production cost," he said.

In this respect, he added, the airport in Melaka had been designated for the development of the composite industry and also for training.

Dr. Mahathir also said Lima '95 would provide a meeting place not only for manufacturers selling their aircraft, aerospace and maritime products but also for people sourcing composite and component parts.

He said Malaysia should have a share in the growing market for this sector.

Dr. Mahathir also noted the growing demand for business jets and private aircraft with a seating capacity of between 40 and 50 passengers to ply the new routes in the region.

Yesterday, Dr. Mahathir visited the city airport in London.

Commentary on Growing Trade With New Zealand

BK1706090095 Kuala Lumpur Voice of Malaysia in English 0810 GMT 15 Jun 95

[Station commentary]

[FBIS Transcribed Text] There are tremendous growth and opportunities for New Zealand and Malaysian businessmen to collaborate in the promotion of trade and investment between the two countries. Malaysia not only welcomes New Zealand's participation in this country's economic development, it is also interested to find economic opportunities in New Zealand.

This message was put forward by Prime Minister Datuk Sri Dr. Mahathir Mohamed to his counterpart James Bolger when the latter visited Malaysia last year. According to him, both sides should endeavor to increase the volume of trade. For New Zealand, it has always been interested to work with Malaysia and other countries in the region. There is a good reason for this as it expects to be deeply wedded politically, economically, and socially to Asia by the year 2000. This reflects to the creation of its own target for New Zealand's future relations with Asia called Asia 2000.

In pursuing the policy, there is every confidence of being able to increasingly make valuable contributions to the richness and diversity of Asia. Actually, relations between the two countries have always been cordial and both Malaysia and New Zealand are equally committed to the quest for free trade among nations that have worked together toward assuring the speedy conclusion of the Uruguay Round of multilateral trade talks.

Today bilateral relations between the two countries have been focussed in three major areas, namely education, small- and medium- scale industries (SMI), linkages, and joint research programs. The last two years have seen various memorandum of understanding, MOU, signed to foster industrial research between the two nations in areas like forestry, oil and gas, rubber and palm oil.

Apart from that, New Zealand research institutes are carrying out joint research with the Policy Research Institute of Malaysia (PRIM), Petronas, the Rubber Research Institute of Malaysia (RRIM), and the Palm Oil Research Institute of Malaysia (PORIM). There are actually tremendous opportunities for Malaysian businessmen in New Zealand, such as iV the food processing industry, hotel, tourism, property, and also manufacturing sector as an effort to promote investment links. However, in order to promote such links, the private sectors of both countries need to foster more direct contacts in order to encourage greater cooperation. This is to complement what has been done by both governments. Such efforts need to be taken as two-way trade between the two nations is set to grow. However, at present, Malaysia has failed to realize its trade potentials with New Zealand, which is also ASEAN's dialogue partner, as trade is probably in its favor.

Lim Kit Siang Reelected as Opposition Leader

BK1906020095 Kuala Lumpur NEW STRAITS TIMES in English 16 Jun 95 pp 1, 5

[FBIS Transcribed Text] Kuala Lumpur, Thurs. — DAP [Democratic Action Party] Secretary General and Member of Parliament for Tanjung Lim Kit Siang was reelected as the opposition leader for the fifth time today.

Dewan Rakyat [House of Representatives] Speaker Tan Sri Mohamed Zahir Ismail said only 24 of the voting papers distributed to the 30 opposition MPs were returned before yesterday's deadline.

He said the majority of the MPs gave their support to Lim, while six MPs who failed to return their papers were deemed not to have cast their votes.

"He (Lim) is an experienced MP and I hope all the opposition MPs will give their cooperation to him," he said in the Dewan Rakyat before the start of question time today.

It is understood that Lim obtained 17 votes, while PAS [Pan-Malaysian Islamic Party] Deputy President Hadi Awang seven. The nine DAP MPs voted for Lim together with the eight PBS [Sabah United Party] MPs. The seven PAS MPs voted for Hadi, while the six S 46 [Parti Melayu Semangat 46 or Malay Party of the Spirit of 46] MPs abstained.

Lim, who had been serving as opposition leader since 1978, had to wait for the vote count when PAS proposed Hadi, who is the Marang MP, for the post, saying that the loose coalition of Angkatan Perpaduan Ummah [Islamic Unity Front] obtained the most votes in the recent general election.

Following their disagreement, Zahir wrote to the opposition MPs and distributed voting papers to them last week.

Zahir said Lim would enjoy the benefits and facilities as provided to the opposition leader effective today.

The opposition leader gets a RM [Malaysian ringgit] 2,800 monthly allowance and is provided with an office in Parliament.

The opposition leader will sit in the Select Committee which appoints MPs into the various committees. Zahir heads the seven-member Select Committee. Other members are Deputy Prime Minister Datuk Sri Anwar Ibrahim, Transport Minister Datuk Sri Dr. Ling Liong Sik, Works Minister Datuk Sri S. Samy Vellu, Energy, Telecommunications, and Posts Minister Datuk Leo Moggie, and Land and Cooperative Development Minister Datuk Osu Sukam.

As chief of the opposition, he will also focus on debates on the bills presented by the government.

Reacting to the announcement, PAS MP for Pengkalan Chepa Mohamed Amar Abdullah said the party accepted the appointment of Lim because it was the choice of the other members.

"We accept the verdict as provided by the democratic process.

"We had hoped that Hadi would be elected to the post, but as Lim had gained more votes, we accept the decision," he said when met at the Parliament lobby.

Mohamed Amar hoped that Lim would be able to execute his duties as opposition leader as he did previously.

Kota Baru MP Ilani Isahak (S 46) said all the Semangat 46 MPs abstained from voting. DAP Deputy Chairman Karpal Singh said the election of Lim was most appropriate as he was the right man for the job.

PBS President Datuk Sri Joseph Pairin Kitingan said: "I am sure he would do his job well," adding that all PBS MPs threw their support behind Lim.

Asked on Parti Melayu Semangat 46's abstention, he said it was their right.

Lim, who was in the House when the announcement was made, left shortly after.

Cambodia

Sam Rangsi Expelled From National Assembly

'Sacked' in 9-3 Vote

BK1906132995 Hong Kong AFP in English 1259 GMT 19 Jun 95

[FBIS Transcribed Text] Phnom Penh, June 19 (AFP) — The Cambodian parliament on Monday expelled controversial former finance minister Sam Rangsi, National Assembly sources said.

Sam Rangsi, an outspoken critic of corruption within the government who had led a spirited international campaign to hold onto his seat, was sacked in a 9 to 3 vote among the permanent committee of the National Assembly, the sources said.

The committee was made up of Assembly Chairman Chea Sim, his deputy and the chairmen of several standing committees.

The royalist FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] party led the campaign to expel Sam Rangsi, after being sacked as finance minister last year and kicked out of the party in May.

He has said the move was part of an attempt by first Prime Minister Prince Norodom Ranariddh to silence him and remove his parliamentary immunity.

Rangsi, Others View Expulsion

BK1906142795 Hong Kong AFP in English 1414 GMT 19 Jun 95

[By Reach Sambat]

[FBIS Transcribed Text] Phnom Penh, June 19 (AFP) — The Cambodian parliament on Monday expelled the country's controversial former finance minister Sam Ransi, a high profile critic of corruption in the government, national assembly sources said.

Sam Rangsi, who had pursued an international campaign against the threat, was sacked nine votes to three by a permanent committee of the National Assembly, made up of assembly Chairman Chea Sim, his deputy and several standing committee chairman, the sources said.

Sam Rangsi earned international praise for his handling of the Cambodian economy, when he balanced the country's first budget after UN-brokered elections in 1993.

But the parliament representative for Siem Reap Province was sacked from the cabinet last October. He was expelled by the royalist FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] party last month after announcing his intention to form a new political group.

FUNCINPEC party leader and First Prime Minister Prince Norodom Ranariddh has since lobbied to have Rangsi ousted from parliament on the grounds that he was elected as a party member and should not be allowed to keep his seat.

At one point, Ranariddh threatened to resign if Rangsi was not expelled.

Sam Rangsi, who has maintained that he represents the voters and not the party, said that while his fate had been decided, his expulsion would not be publicly announced until Thursday.

"They will announce on Thursday that I have been replaced by someone else, " he said. "There will be no debate, no vote...I think it is completely illegal and I think the leaders of this country are losing their legitimacy."

"Nobody can deprive me of my seat as an MP [member of parliament] only the people who elected me can do so.

"I continue to consider myself the legal MP for Siem Reap until the end of my mandate and will continue to do my duty as an MP whether I am allowed into the National Assembly or not," he said.

The result of the vote to oust Sam Rangsi was kept secret from committee members until they had gathered to vote on unrelated legislation, said Kem Sokha, one of the three Standing Committee members to vote against the expulsion.

"I am very disappointed that three of us could not do anything to stop the vote. I think this is a violation of (his) rights and we think that this decision is a betrayal of the people's wishes."

Kem Sokha and foreign legal advisors said they feared a clampdown on other MPs, including Minister of Information Ieng Muli, a member of the Buddhist Liberal Democratic Party, who is embroiled in a feud with his party leader Son Sann.

Few other MPs would comment publicly on Sam Rangsi's dismissal but several said Prince Ranariddh was too powerful to cross.

"We are very upset that one of our friends from the same party has been expelled," one MP told AFP. "We didn't want to do it but we are very afraid of our boss, so we had to."

In his fight to retain his seat, Rangsi had received international support from such bodies as the Inter Parliamentary Union, the British Parliament's Human Rights Group, several US congressmen and human rights group.

In a last ditch effort, Rangsi sent a letter Monday to "all parliamentarians of the world" asking for support.

'Blow' to Nascent Democracy

BK2006053595 Hong Kong AFP in English 0518 GMT 20 Jun 95

[Report by Matthew Lee]

[FBIS Transcribed Text] PHNOM PENH, June 20 (AFP) — The Cambodian parliament's expulsion of former finance minister Sam Rangsi may have dealt a death blow to the country's nascent democracy, lawmakers and diplomats said Tuesday.

"This marks the end of the process that started with UNTAC," a National Assembly advisor, who required anonymity, told AFP, referring to the United Nations Transitional Authority in Cambodia which oversaw the country's first democratic elections in May 1993.

Rangsi was expelled from the house Monday by a nine-to-three vote in the permanent committee of the National Assembly, despite a spirited campaign by other lawmakers and international human rights groups to prevent his ouster. His expulsion will be formally announced in parliament on Thursday.

"After Thursday, the National Assembly will no longer function as an independent body," the advisor said. "It will now be a fully confirmed rubber-stamp parliament."

Several other members of parliament who asked not to be named told AFP they would now be wary of expessing their opposition to proposed legislation.

"This is a very bad signal for Cambodia," said a western diplomat. "It goes against the democratic movement. We thought things were improving but unfortunately they now seem to be going backwards. We are disappointed for Rangsi, but more for Cambodia."

Rangsi, an outspoken critic of rampant corruption in government, was expelled from the royalist FUNCINPEC [National United Front for an Independent, Neutral, Peaceful and Cooperative Cambodia] party last month after angering party leader and First Prime Minister Prince Norodom Ranariddh with his constant embarrassing allegations.

Prince Ranariddh led the drive to have Rangsi, who represented northern Siem Reap Province, removed from the party and then lobbied to have him removed from parliament. Without party membership, the prince said, Rangsi could not sit in the National Assembly.

Some analysts saw the ouster as a power move by Prince Ranariddh. "Now that Ranariddh has gotten rid of Rangsi he has proved he can get what he wants," said another diplomat. "He can't help but be stronger."

But a defiant Rangsi late Monday said: "They will announce on Thursday that I have been replaced by someone else. I think it is completely illegal and I think the leaders of this country are losing their legitimacy.

"I continue to consider myself the legal MP for Siem Reap until the end of my mandate and will continue to do my duty as an MP whether I am allowed into the National Assembly or not," he said.

Rangsi had found support for his arguments from the International Parliamentary Union, several United States congressmen and international human rights groups.

"This is not just one guy," the National Assembly advisor said. "This is the number two guy in the largest party in the country, with popular support and protection, who has been brought down solely for the reason of expressing his personal and political opinions.

"If he can be brought down, what does this tell others who may want to voice dissent?"

The politician was not always out of favor with the prince.

In the run-up to the 1993 UN-brokered elections, Rangsi and Prince Ranariddh often voiced the same anti-corruption message. As a founding member of FUNCINPEC, Rangsi had been appointed as the party's second representative to the Supreme National Council — the pre-election transitional governing body.

Rangsi's falling out with Prince Ranariddh began in mid-1994 when, as minister of finance, he publicly complained that Cambodia's banking system was hopelessly corrupt and that many private banks were little more than money-laundering operations.

In October, Rangsi lost his government position in a cabinet reshuffle that some observers saw as an attempt to silence his criticism.

Instead, Rangsi launched an even more vocal campaign against what he said was a lack of transparency in contracts between the government and private companies, saying the contracts were not in the best interests of the country.

His attempts on the floor of the National Assembly to have the contracts reviewed and debated were rebuffed.

Observers Decry Expulsion

BK2006071395 Hong Kong AFP in English 0646 GMT 20 Jun 95

[FBIS Transcribed Text] PHNOM PENH, June 20 (AFP) — The expulsion of former finance minister Sam Rangsi from the Cambodian parliament may play into the hands of the outlawed Khmer Rouge [KR], diplomats and foreign observers warned Tuesday.

"The Khmer Rouge may now find themselves the only vocal opposition to the government," an Asian diplomat told AFP.

Rangsi, who was ousted from the National Assembly on Monday, had spearheaded the anti-corruption crusade which frequently embarrassed government leaders and was seen by many as the leading opposition voice in parliament.

His expulsion will be formally announced on Thursday after which the assembly will begin debating a controversial press law calling for heavy fines and possible jail sentences for "affecting government stability and national security."

"The government is crushing political dissent," another foreign observer here said.

"They're about to establish a press law that won't allow newspapers or the rest of the media to express the same kind of dissent that Rangsi did under parliamentary privilege.

"With his dismissal and the passage of the press law, the Khmer Rouge may find new support among those who are dissatisfied with the government," he said. "It will either be them or another underground group."

Clandestine Khmer Ruge radio has continuously called for the destruction of the current coalition government, saying it is controlled by the Vietnamese and other foreign powers. In broadcasts monitored in Bangkok by AFP, radio announcers have voiced support for Rangsi and others who have opposed government policies. Rangsi has repudiated their support.

The shadowy Khmer Rouge, which ruled the country from 1975 to 1979 and was responsible for the deaths of up to a million Cambodians during that period, boycotted the 1993 United Nations-brokered elections and were outlawed last year. They continue to wage a guerrilla war.

Kompong Thom Governor Details KR Activities

BK1906115795 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 18 Jun 95 p 5

[Report by Rosa]

[FBIS Translated Text] Kompong Thom Provincial Governor Chieng Am has told REAKSMEI KAMPUCHEA that the Khmer Rouge [KR] have increased pressure on a number of areas in his province; in Baray and Prasat Balang Districts and on Route 12 linking the province to Preah Vihear Province.

He specified that the Khmer Rouge recently seized a commune in Prasat Balang District and harassed some localities in the Tonle Sap area of Baray District. The Khmer Rouge burned people's houses and took away cattle. These areas have now been retaken by government troops, but the Khmer Rouge remain a problem for people's security. The provincial governor added that a number of Khmer Rouge soldiers who were pulled back to Anlung Veng after the Phnum Chi area was attacked have now been sent back to Kompong Thom. These are veteran troops who have caused destruction in Kompong Thom before. Now they are back. Their goal is more economic than military; they need food supplies but do not want to clash with government troops.

The provincial governor also said that the Khmer Rouge have intensified their mine-laying activities along Route 12. Travel along Route 12 is risky because of the extra mines. Mining-clearing efforts cannot keep pace. He added that apart from the provincial police and troops of the province's operational subzone, additional policemen have been sent to Kompong Thom from Kompong Cham, Prey Veng, and Svay Rieng Provinces. Some of these policemen have been deployed along National Route 12.

As for food supplies and shelter for soldiers and policemen, the provincial governor affirmed there are no problems. Food supplies are not lacking and there is sufficient plastic sheet to guard against the rain. Chieng Am complained that medicine is in seriously short supply. Malaria medicine is abundant but medicine to treat wounds and other types of medicine are lacking. Field doctors have made efforts to conserve medicine by using it sparingly.

It is difficult to find ways to send the wounded or sick to safe areas. There is thus a delay in evacuating wounded people, causing a loss of blood and easily affecting patients' lives.

The provincial governor added there would be no problem if sufficient medicine were dispatched to the battlefield. Although food is not plentiful, there is enough.

About 500 KR Guerrillas Gather Near Poipet

BK1906134495 Hong Kong AFP in English 1329 GMT 19 Jun 95

[FBIS Transcribed Text] Poipet, Cambodia, June 19 (AFP) — The detection of about 500 Khmer Rouge guerrillas near here may mean a major attack is being planned on the border town, an Army officer said here Monday.

Other targets could be military posts along Route 5, especially from Poipet to Sisophon district in Banteay Meanchey Province, said Lieutenant Colonel Thim Saret, adding that it was unusual for so many of guerrillas to be seen in the area.

Thim Saret, a Cambodian liaison officer with the Cambodian-Thai Coordination Office, said about 1,000 of Poipet's 30,000 residents already had fled, fearing an attack. Goods no longer reach here from Thailand, and only a few Thai merchants venture into Poipet now to collect money owed them.

"Well-to-do people closed their shops and moved to other towns like Battambang and Banteay Meanchey," he said, adding that others fled across to Thailand to the Aranyaprathet area, he said.

Khmer Rouge artillery and mortar fire now pounds Poipet's market at dawn and dusk most days, he said. On Monday, a 120mm mortar shell blew up a house next to the market, seriously wounding a family of four and a neighbor.

Last Sunday, the Khmer Rouge blew up four segments of Route 5 between Poipet and Sisophon, he said.

Cambodia has put its 12th Army division on full alert and was preparing for a Khmer Rouge attack, he said. Bunkers near the Friendship Bridge over Khlong Luek canal, which links Thailand and Cambodia, have been improved and armed with heavy machine guns.

"We're aware the Khmer Rouge uses artillery and mortars with mobile bases that have reduced the effectiveness of government counterfire," Thim Saret said. "Ground assaults are expected south of Poipet, but we cannot say when the military operation will begin."

Meanwhile, a Thai soldier said in Aranyaprathet that authorities had stopped a Cambodian man at the border and seized three gold bars worth nearly one million baht (40,000 dollars). The man was charged with smuggling.

Khmer Rouge Official on Vietnamese Immigrants

BK1706100295 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 15 Jun 95

[Interview with In Sopheap, minister of immigration dealing with the problems of Vietnamese immigrants in Cambodia of the Provisional Government of National Union and National Salvation of Cambodia, by unidentified correspondent; date and place not given — recorded]

[FBIS Translated Text] [Correspondent] Today, the correspondent of our radio of the Provisional Government of National Union and National Salvation of Cambodia [PGNUNS] is honored to interview His Excellency [H.E.] In Sopheap. In Sopheap is our PGNUNS minister of immigration dealing with the problems of Vietnamese immigrants in Cambodia. This interview deals mainly with the presence of Vietnamese immigrants in Cambodia.

My respects to Your Excellency. There are now over 4 million Vietnamese immigrants in our country and more are continuing to pour in. What will happen to our country? Could you comment on this?

[In Sopheap] Yes. There are two historic events recorded in Cambodian history: the Vietnamese nibbling of Kampuchea Kraom [ancient Cambodian territory annexed by Vietnam in the 17th century] and the Kompup Tae Ong [literally: you spill my tea. Reference to Vietnamese cruelty in using the heads of live Cambodians as fireplaces to boil tea, and the reprimands to their victims for moving their heads and thereby causing the tea to spill]. The entire Kampuchea Kraom was turned into Vietnamese territory. Now the Hanoi communist Vietnamese are pursuing that historic course to annex present-day Cambodia. Their tea-boiling fire is now burning every Cambodian. They have tried to annex us by waging a military war for 17 years now. They have tried to annex us through a demographic war.

Now, I would like to talk about the Vietnamese demographic war. The 4 million-plus ethnic Vietnamese represent half of the Cambodian population. They continue to pour in. Within the next four to five years, Cambodians will be outnumbered by the Vietnamese. What else have the 4 million-plus ethnic Vietnamese done? They have taken over our entire territory in the eastern part of Cambodia. In the areas from the Dragon's Tail area in Ratanakiri Province, to the Vietnamese southern seas, Vietnamese villages have been built dozens of kilometers deep inside our territory. They have turned these areas into Vietnamese zones. In some other areas deeper inside our country, although they have not yet grabbed our land many of them have settled there, such as the areas along the Mekong and Tonle Sap. We do not have to look very far away. Just take a look at Phnom Penh, Phsa Chas, Phsa Olympic, O Russei, [words indistinct], Chhba Ampeou, Kilo Lek Pram Muoy, Chruoy Changva, Kaoh Norea, and the areas opposite the Royal Palace. The Vietnamese are staking claims to and grabbing and plundering our people's land, seas, rivers, and streams. The Vietnamese puppet administrators have also plundered or confiscated people's land and property and sold it to get money for their Vietnamese bosses. This is why our people have no land or water for growing rice. They even have no houses to live in. This is clear to all. This is a very serious matter. Our people do not know where to get help. [words indistinct], the Cambodian people are starving, poor, and suffering. Some of them have become beggars. This is caused, on the one hand, by the war and Vietnamese land grabbing. Another cause is the food consumption of over 4 million ethnic Vietnamese. How many tons of rice do they consume? They consume over 1 million tons annually. The communist Vietnamese, Vietnamese puppet administrators, and their men ship back to Vietnam all the remaining rice together with oxen, buffalo, fish, meat, rubber, trees, and even rattan and bamboo sticks. They have also grabbed all means of livelihood of our people. This is why the Cambodians are starving and becoming beggars.

The fascist and corrupt regime [words indistinct] national culture and civilization [words indistinct]. In such a case, what will happen to our country? It is clear that by not fighting, our country will certainly come apart. This collapse will occur during our generation.

[Correspondent] Do the two-headed elements, Hun Sen, Chea Sim, Ranariddh, Sar Kheng [words indistinct]?

[In Sopheap] Hun Sen, Chea Sim, and Sar Kheng [words indistinct]. The Hanoi Vietnamese authorities brought them to Phnom Penh on tanks when they invaded our country at the end of 1978. These elements are true slaves of the communist Vietnamese. They have served the communist Vietnamese 100 percent. As for Ranariddh, who has been put together with the communist Vietnamese by the UNTAC [UN Transitional Authority in Cambodia] and alliance, he has become a second-class Vietnamese puppet. The two-headed elements who are Vietnamese puppets do not think about the national interest. They only follow the Vietnamese orders. Just take a look at the memorandum of the Ranariddh-Vo Van Kiat talks on 15 and 16 January. You will see how the two-headed government has sold out our nation, how it has let the Vietnamese trample on its head. It has done everything communist Vietnam wants. It has allowed ethnic Vietnamese to continue staying in Cambodia at the order of communist Vietnam. Let us take a look at its immigration law. At first, they staged a farce to deceive the people. But all the people, students, government officials, and Cambodians at home and abroad vigorously struggled to demand the expulsion of the ethnic Vietnamese. After Vietnam summoned the two-headed elements to Hanoi, this law has become a stamp of approval for the ethnic Vietnamese to stay on and for more Vietnamese to pour in. The two-headed elements have committed a serious offense in allowing the Vietnamese to wolf down our country.

[Correspondent] Your Excellency has described the fact that communist Vietnam has implemented the strategy of sending the Vietnamese to annex Cambodia. I would like to know about the alliance — United States, France, and Australia. What is their connection to this Vietnamese problem?

[In Sopheap] Yes, they have come here in order to compete for the interest of our people and not to help settle the problem of Vietnam annexing Cambodia. On the contrary, they have helped the Vietnamese. They support the continued presence of Vietnamese in Cambodia. Let us take a look at the Paris agreement. It states clearly that UNTAC shall supervise the Vietnamese withdrawal. UNTAC is composed of the UN and alliance officials. They did not supervise the Vietnamese withdrawal. They only said there were no Vietnamese. During the UNTAC period, a large number of Vietnamese came to our country. The number went up to 3 million within only a short period of time. After the UNTAC left, the alliance stayed on to help the Vietnamese. On the one hand, it has helped the Vietnamese to wage war. Vietnam lost the war in our country from 1978-94. It was then very poor and had no more money to carry on the war. It has been able to continue the war because of the alliance's assistance. While carrying on this war, Vietnam has kept sending more Vietnamese nationals into our country. The alliance also is helping to direct send Vietnamese nationals into our country. Just take a look at the immigration law of the two-headed government to see how the alliance has helped the Vietnamese. The alliance has given much more help to the Vietnamese than its own parents. Concerning the problem of ethnic Vietnamese at Chrey Thom in Kaoh Thom District, the communist Vietnamese have staged a very despicable farce. The communist Vietnamese gathered Vietnamese boats at Chrey Thom to show that the Vietnamese were not allowed to enter Cambodia. The United States and the alliance [words indistinct]. The fact is that the Vietnamese have kept entering Cambodia every day and every night through Chrey Thom and other passes. Although the United States and the alliance have seen that the many Vietnamese boats there are newcomers, still they have clamored about Vietnamese not being allowed to come. They have made so many efforts to help the Vietnamese, politically, [words indistinct] and financially. They have provided the Vietnamese with food, medicine, and everything as if they were their adopted children. As for the Cambodian people who are the owners of the country, they are starving.

[Correspondent] I would like to ask Your Excellency whether our PGNUNS and Khieu Samphan's party have any plan for settling this problem of the ethnic Vietnamese?

[In Sopheap] Yes. The Vietnamese nationals in Cambodia are the aggressor forces. These forces are here to annex Cambodia. Communist Vietnam has organized and introduced these forces to Cambodia since the time it sent hundreds of thousands of troops to invade our country. This act violates both our (?Cambodia's right) and all the international laws. The Paris agreement clearly directs the withdrawal of these Vietnamese forces from Cambodia. Therefore, all Vietnamese nationals must leave Cambodia. This is our PGNUNS' stand. Our National Union Party also states clearly in its political program that the Vietnamese immigrants — who formed part of the Vietnamese aggressor force which illegally entered Cambodia — must be repatriated.

Everywhere in the world — whether in Asia, such as Malaysia, Indonesia, the Philippines, and particularly Hong Kong, or in Europe — Vietnamese refugees are placed in camps and then forcibly sent back to Vietnam. Those countries use both the force of law and the police. This is practiced even in the United States and Australia. That is what the rich countries which do not have the problem of Vietnamese annexing their territory have done. Our PGNUNS takes similar measures, as all other independent countries do. We are not doing anything different from all other countries.

Concerning this matter, we must have a clear immigration law and nationality law. These laws must base on our national interest. There must be no fraud. After being approved, these laws must be implemented strictly. The problem of the Vietnamese presence constitutes a life-and-death danger to our nation. Therefore, efforts must be made to make the Vietnamese leave our Cambodia.

[Correspondent] In reality, how have our people struggled in connection with this problem of the ethnic Vietnamese?

[In Sopheap] Yes, our people have struggled vigorously in the fight against the communist Vietnamese-alliance war which is being ignited.

Last dry season, the enemy suffered serious defeats. Now the enemy is very alarmed because the rainy season has come. Moreover, our people have struggled for their own survival. They fight to avoid being recruited as soldiers and militiamen and to eliminate the chapters of the Communist Party of Vietnam and Vietnamese spies implanted in their villages. They fight to avoid the enemy from plundering their land and food. They fight to demand the return of their land. They fight to demand that the two-headed government resolve the famine. They fight against fascist acts, to demand democratic rights and freedom, and against corruption. They fight the two-headed elements for allowing the

Vietnamese to pour into our country. All of their fights are directed against the problem of the Vietnamese presence. This is a very profound struggle because it relates directly to the daily life of our people. This struggle is very effective. Just take a look at this struggle during the UNTAC era. How this struggle of our nation and people caused such great alarm to the Vietnamese that a number of them fled.

At present, this struggle is developing so much better than in the past. The struggle in the countryside has now reached the cities. It has been moved from the outlying areas to the front doors of the houses of Hun Sen and Ranariddh. This struggle will keep advancing and never retreat. Eventually, all forms of struggle will (?combine) with an aim to end the war and achieve national reconciliation. By then, our nation will continue to unite and rally all national forces regardless of their past or political colors. All will jointly strive to resolve the big and small national problems, including the problem of the ethnic Vietnamese. That is the direction.

I would like to recall the fact that our people have suffered so much in the past 17 years. This situation must not drag on. Whether our nation can survive or not, it all depends on our generation. Our generation has a very heavy responsibility. Therefore, it is imperative that our nation unite even more firmly and strengthen our offensive so as to put out the Vietnamese "Tae Ong" fire in a timely manner to avoid it from scorching our nation.

Communist Vietnam and the alliance are cornered. Meanwhile, the two-headed government is going bankrupt and will certainly collapse very soon.

Since our nation and people are fighting, we will certainly win and our nation will survive forever.

[Correspondent] Thank you, Your Excellency. May you and our PGNUNS enjoy success.

Indonesia

Editorial Views G-7 Summit, Communique

BK1906164295 Jakarta KOMPAS in Indonesian 18 Jun 95 p 4

[Editorial: "The G-7 Joint Communique Requires a Bigger Commitment"]

[FBIS Translated Text] Among other things, the three-day summit held by the seven progressive and developed nations (G-7) in Halifax, Canada expressed concern over the mounting aggression and conflict in Bosnia. The Bosnian issue was one of the major agenda topics discussed during the G-7 summit, which ended on Saturday, 17 June.

According to the 29-item joint communique, the G-7 leaders also deliberated on the issues of Chechnya, Iran's nuclear program, the problem of Myanmar [Burmese] opposition leader Aung San Suu Kyi, the Nuclear Non-Proliferation Treaty [NPT], and global peace and security issues.

Although economic matters formed the basis of the G-7 discussions, the group deliberated other issues during their annual discussion. We know that apart from discussions on economic matters, discussions were also held on social, political, military, environmental, security, and world order issues.

We presume that the wealthy G-7 nations will face difficulty if the world situation in general becomes less supportive. It will be more difficult for them because their economic activities have taken root far outside their own regions. In the current globalization era, and in terms of diplomacy, cooperation, and international interaction, economic issues are evidently and significantly considered very important.

The international community hopes — not just for the sake of its own interests — that the G-7 group, as a wealthy group with dominant facilities, will extend a helping hand to settle several issues that the international community is facing.

It appears that several prevailing issues remain unresolved and are being allowed to continue, such as the crises in Bosnia, Sri Lanka, and Chechnya. The G-7 group and some other members of the international community have not been seen to undertake concerted efforts to solve these crises.

These significant issues have become more complex and difficult to solve. The international community has yet to come up with a joint strategy to deal with every case despite the numerous calls for joint cooperation to solve these issues.

For example, we acknowledge that the G-7 leaders at the meeting in Halifax expressed concern about the possibility of war and aggression escalating in Bosnia. Yet the leaders did not offer a formula or any new proposal to end the 48-month crisis.

Similarly, the G-7 members, with their parallel attitudes and stands, only expressed concern in connection with the issues of Myamnar opposition leader Aung San Suu Kyi and Iran's nuclear program. The group did not adopt any move or make any offer to solve these issues. This trend has become common everywhere; it does not only apply to the G-7.

Unquestionably, we have witnessed several regional or international agreements dishonored or even flouted. In the latest development, China and France have ignored the extension of the NPT. China recently conducted a nuclear test while France announced that it was about to do the same.

To cite another example, we can take the Iran-Contra scandal that occurred in the last decade. The U.S. Government called on the international community to impose military sanctions against Iran while it quietly and secretly sold weapons to Iran.

By giving these examples, we can conclude that it is difficult to mobilize cooperation. On the other hand, it is easier to mobilize an alliance or cooperation when a group is faced directly with a common threat. This trend can be seen clearly in the formation of NATO and the Warsaw Pact.

Meanwhile, proactive international cooperation faces numerous obstacles. The United Nations, as an international organization for cooperation, is often considered ineffective in settling several international issues because of its members' conflicting convictions.

Nonetheless, we believe that such conflicting interests will absolutely complicate matters in the absence of an alliance or cooperation. Whatever the case, the United Nations, IMF, and World Trade Organization (WTO) are considered strategic organizations that can support the international community in general.

The effectiveness of any alliance or agreement depends on every member's commitment to the organization. We truly hope that the G-7 focuses its attention on the situation in Bosnia, Sri Lanka, or even Chechnya. An immediate and clear commitment is needed to end these crises.

In facing the Bosnian crisis, the international community indicated its virtuous desire to cooperate in settling the crisis, but no such cooperation has yet materialized.

The United States, considered the world's policeman, is upset because it is unable to solve the Bosnian crisis. Anxiety exists over the possibility of the crisis becoming another traumatic Vietnam war in the Balkan theater. Meanwhile, Russia is more on the side of the Bosnian Serbs; it is definitely not on the side of the Bosnian Muslims.

Therefore, it is not surprising why the international community finds it difficult to embark on a joint endeavor to solve the Bosnian crisis or the crises in other regions. The Western nations are also less united in formulating joint action to solve the crisis in Bosnia, which is very close to their respective countries.

We believe the European countries have been reluctant all along to settle the crisis in Bosnia, given the fact that they have enough strength to end the tragedy that is occurring right before their eyes. It is appalling to know that the European countries could display such an attitude. How can the other nations expect to react boldly and firmly to try to end the crisis in Bosnia if the European nations themselves cultivate such an attitude?

Move To Reduce ABRI Seats in House Viewed

Reaction to Proposal

95P30102A

[FBIS Media Note] Summary: Pending legislation to reduce the number of parliament seats held by ABRI [Indonesian Armed Forces] has elicited comments by political observers, as well as incumbent and retired military officers, according to Jakarta vernacular press reports. Their comments indicate that the proposed legislation is not viewed as a setback for the military.

SUARA PEMBARUAN and SUARA KARYA on 2 May reported that the People's Legislative Assembly [DPR] has drafted legislation under which the number of ABRI seats in parliament will be reduced from 100 to 75 after the 1997 general elections. The proposed legislation resulted from President Suharto's request that the Indonesian Institute of Sciences [LIPI] reevaluate ABRI's sociopolitical role and come up with a more equitable electoral system.

SUARA PEMBARUAN highlighted the fact that the military, which cannot vote in general elections, is presently allocated 100 seats in the DPR, while the remaining 400 seats are split between Indonesia's major political parties—the ruling party Golkar, the United Development Party [PPP], and the Indonesian Democratic Party [PDI]—following general elections every five years. The paper pointed out that even if it had only 75 seats, ABRI would still have more than the PPP and the PDI which currently hold 62 and 56 seats respectively.

Both papers reported that State Secretary Moerdiono views the suggested reduction of the military presence in parliament as the "appropriate, strategic way for democracy to flourish," while political observers have called the proposal largely "symbolic and meaningless" since it means a return to the way it was before the legislature was expanded in 1987.

While supporting the pending legislation, House Speaker Wahono denied that the measure had been drafted in response to certain foreign observers' view that a big ABRI presence makes the House less independent. Wahono was quoted by SUARA KARYA as saying that ABRI's presence has proven to be a "dynamic, inspiring, and motivating force" in developing the nation and in promoting Pancasila democracy.

SUARA PEMBARUAN noted that, according to Coordinating Minister for Political Affairs and Security Soesilo Soedarman, the proposed reduction will have no effect on ABRI's role as the "stabilizer" in Indonesian politics. Soesilo stressed that the quality—not the number—of ABRI's representatives matters most. The retired general also said that Indonesia is politically stable and credited ABRI for having succeeded in promoting democracy and developing national stability.

Both SUARA PEMBARUAN and SUARA KARYA claimed that the Indonesian military leadership is confident that the parliamentary downsizing will not weaken its power base. Although some observers would like to see the military presence reduced in the regency and provincial legislative councils, ABRI has argued that the 1,500 key positions in the provincial administration should continue to be reserved for active-duty officers. According to the two papers, Armed Forces Commander General Feisal Tanjung stated that while he accepts the plan to reduce ABRI's seats in the DPR, he would resist any further attempts to reduce the military's role in Indonesian political life.

House Passes Bill

BK2006115395 Jakarta THE JAKARTA POST in English 16 Jun 95 p 2

[FBIS Transcribed Text] Jakarta (JP) — The House of Representatives (DPR) passed a bill on the reduction of military seats in the legislative body from 100 to 75 to be effective after the 1997 general elections.

All four factions in the House agreed in a plenary session presided over by Deputy House Speaker J.A. Katili that the move would be beneficial in the country's democratization and will more clearly define the political role of the Armed Forces (ABRI).

Attended by Minister of Home Affairs Muhammad Yogie Suardi Memet, the session heard the factions' final view of the bill from their representatives.

Suparman Akhmad from the ABRI faction said, "Seventy five seats are adequate but, as noted, the members should be selected from among the best officers to maintain the qualities of the representation."

"The ABRI faction can accept the consensus (to pass the bill) graciously," he said.

The plan to reduce ABRI's legislative seats came after President Suharto ordered the Indonesian Institute of Sciences in February to conduct research on a more suitable electoral system.

According to the law on socio-political organizations passed in 1985, 100 of the 500 DPR seats are reserved for ABRI. These House members do not take part in elections. A 1982 law gives legitimacy to ABRI's role as a socio-political player in Indonesia.

The remaining 400 seats are contested in the general election, held once every five years by Golkar [Functional Group], the United Development Party (PPP) and the Indonesian Democratic Party (PDI).

Following the submission of the bill, which is in fact a revision of only one chapter of the 1985 law, discussions on the roles of ABRI in the House proceeded aplenty.

Some analysts, believing the military is "over-represented" in the House, said the reduction would help ensure greater democracy. Other analysts argued that democratization would ensue only if all related parties could establish fair general elections and eliminate violations and manipulation.

The draft law itself was given exceptional treatment in the House. Legislators adjusted their schedule in order to give it priority.

The PPP faction yesterday endorsed the bill but not before airing its long-time grievances over the implementation of the general elections and the general political climate.

Spokesman Nadhier Muhammad said the faction could approve the draft bill, but also demanded a revision of the existing laws on politics, which some consider favor Golkar over PPP and PDI, and on general elections.

Only with the revision can the nation have a more democratic political representation, encourage "the people's political competition" and discourage the establishment of a single-party system, he concluded.

The PPP faction also criticized the bureaucracy for unfairly favoring one political grouping in its activities over the others.

"This...taking sides attitude is burdening the nation which has to pay the political cost of protecting and ensuring that the grouping retains its majority position," Nadhier said, apparently referring to the ruling Golkar.

"It's our belief that all efforts to strive for a majority should be made proportionally by healthy competition," he said.

Similar calls for the revision on laws on political life were made by the PDI faction. Spokesman H. Subagyo also reminded the session that ABRI should retain its "neutral stance" and not take sides with any groupings.

Spokesman of Golkar faction Harisugiman said that a revision on political law does not have to be accompanied by revision on other laws.

Suharto Defends ABRI Presence

BK1806114995 Jakarta ANTARA in Indonesian 0742 GMT 18 Jun 95

[FBIS Translated Excerpt] Jakarta, 18 Jun (ANTARA) — President Suharto has stated that the Armed Forces of the Republic of Indonesia [ABRI] have no intention whatsoever of controlling the House of Representatives, although it has an opportunity to command the highest number of votes in the high state body.

"The ABRI must not reign in the House of Representatives, although it is capable of controlling the House of Representatives and the People's Consultative Assembly," the president told leaders of the Communication Forum of the Sons and Daughters of the Armed Forces of the Republic of Indonesia [FKPPI], at the Tapos Ranch in Bogor on Sunday.

The head of state noted that ABRI representatives are sitting in the House of Representatives because the ABRI has been recognized as a sociopolitical force along with the political parties and the Functional Group. In addition to being a sociopolitical force, the ABRI is a national defense and security force.

The head of state said that the ABRI has been recognized as a sociopolitical force because the ABRI is the only force which has never deviated from Pancasila [state ideology] and the 1945 Constitution.

For example, the Indonesian Communist Party succeeded in controlling the workers and farmers when the party was recognized in the country. However, the party failed to control the ABRI.

The head of state raised the ABRI's representation in the House of Representatives due to allegations that its presence in the high state body attests to the absence of democracy in the country.

"Some people continue to question the ABRI's position in the House of Representatives. They charge that the ABRI's presence in the House of Representatives shows that Indonesia is less democratic," said the president, who was accompanied by FKPPI Advisory Council Chairman Bambang Trihatmojo, FKPPI Advisory Council Secretary Indra Bambang Utoyo, and FKPPI General Chairman Asep Sujana.

He said that the allegations have emerged because those who dislike the democratic life in the country use Western standards, which are not necessarily suitable for the domestic situation.

He added that the ABRI representatives are sitting in the House of Representatives and the People's Consultative Assembly to serve all Indonesians, not just the ABRI. [passage omitted]

Alatas Views Badawi Remark on Spratlys Talks

BK2006061195 Jakarta ANTARA in Indonesian 1640 GMT 19 Jun 95

[FBIS Translated Text] Jakarta, 19 Jun (ANTARA) — Foreign Affairs Minister Ali Alatas says that it would be up to claimants themselves to explore the possibility of holding formal talks on the Spratlys.

"That will be be up to the claimants. I do not understand what Foreign Affairs Minister Badawi precisely meant," he told reporters in Jakarta on Monday evening after holding talks with Danny Phillip, minister of foreign affairs of the Solomon Islands.

Malaysian Foreign Affairs Minister Abdullah Badawi last Friday called for immediate formal talks on the dispute over the Spratlys, which are claimed by Malaysia, Brunei Darussalam, the Philippines, Vietnam, Taiwan, and China.

Badawi made the statement following growing tension in the chain of islands which are believed to be rich in oil and natural gas.

He also expressed concern over recent action by the Philippines and China in asserting their respective claims to the islands.

According to Alatas, Indonesia, which sponsors the annual workshop on the South China Sea, has in fact tried to formalize cooperation among the claimants to the islands.

"We once said that cooperation in various fields such as science and technology and pollution control should be formalized," he said.

However, Alatas who said that he had not read Badawi's statement in newspapers said that talks on the Spratlys would continue and Indonesia as a facilitator would continue to support a peaceful and comprehensive solution to the dispute.

Trade With PRC Up 8-Fold in 10 Years

BK1906061195 Jakarta REPUBLIKA in Indonesian 17 Jun 95 p 3

[FBIS Translated Text] Jakarta — Direct trade between Indonesia and China have increased eightfold over the past 10 years. Trade was only worth U.S. $330 million (726 billion rupiah) when direct trade ties began in 1985.

"Bilateral trade reached over U.S. $2.65 billion (5.83 trillion rupiah) in 1994," Chris Walean, chairman of the Trade and Investment Section of the Indonesian-Chinese Institute for Economic, Social, and Cultural Cooperation, said in Jakarta yesterday. He added that it is encouraging to note that Indonesia always enjoys a surplus with its trade partner, which has a population of about 1.5 billion.

Walean disclosed that the volume of Indonesian-Chinese trade reached U.S. $1.5 billion (3.3 trillion rupiah) in 1994. According to him, the volume of trade could certainly increase in the years to come.

Nevertheless, he said Indonesia has yet to diversify the commodities sold to China. "About 75 percent of our exports to China are oil, plywood, and other wood products," Walean added. He thus urged Indonesian businessmen to further exploit export opportunities in China.

For the purpose, the Indonesian-Chinese Institute for Economic, Social, and Cultural Cooperation will lead a delegation of national businessmen to Beijing in early August.

IPTN To Supply Military Aircraft to Australia

BK1706095395 Jakarta BISNIS INDONESIA in Indonesian 3 Jun 95 p 1

[FBIS Translated Text] Jakarta (BISNIS) — The National Aircraft Industry (IPTN) has won a bid to supply 18 CN-235/330 aircraft valued at U.S.$500 million for the Royal Australian Air Force (RAAF).

B.J. Habibie, research and technology minister and head of the Technology Development Board, said Indonesia's success in winning the bid to supply 18 aircraft was due to the industry's more modern technology and easy maintenance.

Speaking in Jakarta yesterday after the ceremony marking the establishment of the PT [private company] Tafakul General Assurance he said: "They were impressed with our modern technological expertise. Besides this, the aircraft has doors that can be manually operated."

Habibie explained that the assembly of the 18 aircraft will be completed within a three-year period. He said: "We have agreed that the aircraft assembly will be completed within three years."

Prior to gaining confidence of the Australian Government and the Royal Australia Armed Forces, he said Indonesia had to beat Italy who had offered to sell their G-202 aircraft and the CN-235/200 aircraft produced by Spain. He added that Australia also requested that the 18 units be named Phoenix and not Tetuko, as they are currently known.

He said the aircraft has an identical quality and velocity as the Tetuko. The only difference is that the two aircraft have different types of rear doors and flaps. The Phoenix aircraft will use a computerized remote control system on its rear doors. The doors can also be manually operated by its crew members.

He said: "If the pilot cannot open the cabin door, then other crew members can open the door manually. The aircraft is very effective for paratroopers needing speedy exit."

Habibie said the sale of the 18 aircraft was aimed at increasing national export, apart from the export of nongas products that has become the mainstay of the national economy.

The purchase of the 18 aircraft was made in conjunction with the Royal Australian Air Force's desire to replace its aging fleet of military transport aircraft. The RAAF will soon replace the fleet with the 18 aircraft for military training and transportation purposes and each aircraft has a 35-person load capacity.

The research and technology minister and head of the Technology Development Board visited Australia recently and held talks with Prime Minister Paul Keating, his Australian counterpart, and several other Australian officials.

The IPTN should also embark on designing the CN-235/330 aircraft in compliance with the specifications required for military transportation purposes. Habibie said: "This is not too difficult, especially when the cockpit only needs to be modified."

Given Asia's current good economic growth, Australia's exports to the Asian region, including Indonesia and Japan, has risen to 75 percent compared to the United Kingdom's export of only 9 percent.

Central Bank Acquires Standby Loan

BK1706095495 Jakarta SUARA PEMBARUAN in Indonesian 15 Jun 95 p 4

[FBIS Translated Excerpt] Jakarta, 15 Jun — The Indonesian Government has received a standby loan worth U.S.$500 million from six syndicated banks. The loan is aimed at safeguarding the foreign currency reserve at the Central Bank and making it surpass the U.S.$2-billion mark.

This was disclosed by Sumitro, deputy chief of the Central Bank's Overseas Affairs Division, in Jakarta on Wednesday (14 June). The signing of the syndicated loan agreement was signed in Tokyo on Wednesday.

"At the moment, our foreign currency reserve at the Central Bank stands at U.S.$1.8 billion and to safeguard it, we need additional funds available for use at anytime. We need to safeguard our reserves at the U.S.$2-billion mark," he said.

Sumitro said the Central Bank actually has a standby fund worth U.S.$400 million, but it is feared that the fund will be quickly used up before it can be withdrawn. As a precaution, the Central Bank has decided to obtain a standby loan from some international banks. The six banks that have given the standby loan to Indonesia are JP Morgan (U.S.), Commerzbank (Europe), Nativst (Europe), Bank of Tokyo (Japan), IBJ Asia Ltd (Japan), and Sakura Finance Asia Ltd (Japan).

The eight-year loan has an interest rate 0.625 percent higher than the Libor (London Interest Borrowing Rate) and a commitment fee [two preceding words in English] of 0.3195 percent. Sumitro said if the standby loan is not used within the eight-year period, the government will not have to pay the interest rate, but will pay the commitment fee only.

A standby loan is a kind of commitment by a group of syndicated international banks and it can be withdrawn anytime it is needed. The standby loan is normally aimed at safeguarding a country's foreign currency reserves, which will in turn safeguard that country's balance of payments. [passage omitted on government's move to obtain other types of loan]

Editorials Consider Extent of Foreign Loans

BK1706091495

[FBIS Editorial Report] The 16 June editions of REPUBLIKA and SUARA KARYA publish editorials on the subject of Indonesia's foreign loans.

Jakarta REPUBLIKA's 700-word editorial on page 6 is headlined "Our Foreign Loan Burden". It says Indonesia has to settle the loans, no matter how insignificant the conditions attached to the loans may be. Also, it is the country's responsibility to repay the loans, including principal, interest, and any additional amount due to the fluctuating foreign exchange rates. It adds that should the latest figures indicate that the loans have exceeded U.S. $100 billion, which includes the private sector share of U.S. $40 billion, then there is a possibility that the donor countries or even the international monetary institutions could reschedule the repayments.

REPUBLIKA adds: "Due to our numerous skillful economic endeavors, however, it was considered unnecessary to reschedule the repayments. There are several reasons behind this.

"First, Indonesia is considered a responsible country in repaying loans with interest, despite the various economic pressures the country faces.

Second, steps taken to restructure the nation's economic position were considered positive moves toward maintaining a skilled work force despite the high-cost economy, which in turn, made it possible for the country to make its loan repayments.

Third, Indonesia is considered a country that utilizes its foreign loans prudently. The government has highlighted this repeatedly, particularly with regard to the attractive loans acquired. The government has expedited repayment of its foreign loans as its effort toward lightening that particular burden. As an example, Indonesia recently expedited its repayment of U.S. $423.2 million to the IBRD [International Bank for Reconstruction and Development] and to the ADB [Asian Development Bank] of U.S.$359.7 million."

REPUBLIKA notes that at least the donor countries or international monetary institutions have acknowledged Indonesia's undertakings and the country is pleased with such acknowledgement.

Concluding, REPUBLIKA says: "Therefore, we should adopt a free foreign exchange system as a means to discourage the private sector from further increasing our loan burden. Nonetheless, the projects funded by the foreign loans should at least ensure a guaranteed output."

The 600-word SUARA KARYA editorial on page 5 is headlined "The Foreign Loans and the Dialogue Process".

The editorial notes that President Suharto is ever attentive to public concern over the foreign loans incurred by the country, with such concern channeled either through the ministers or other officials. It says that, in general, such concern is aimed at projecting the issue in its correct perspective.

SUARA KARYA notes: "All this points to the development of a dialogue process that reflects the ever stable democracy based on the Pancasila ideology. Several examples can be found of the process bringing positive results."

The editorial says: "Such a spirit of dialogue was reflected when President Suharto spoke on the issue of the foreign loans at a meeting attended by government officials (a number of ministers, governors, village chieftains and some other officials) at Bina Graha Palace on 14 June."

Continuing, SUARA KARYA says: "On the issue of foreign loans, President Suharto stressed that Indonesians should not be overly worried. Although Indonesia is bound by huge foreign loans, such loans have not been utilized wastefully."

The editorial notes: "It is recalled, however, that the assets of the state-owned agencies in 1992, which amounted then to 230 trillion rupiah, are now 350 trillion rupiah or approximately U.S. $170 billion. The president said: "We can sell off some of the state-owned assets in an effort to settle the U.S.$60 billion loan. There is no cause for worry."

In addition, SUARA KARYA says: "There are external elements who consider Indonesia's economic situation identical to that of Mexico. In this connection, there were several economic observers apprehensive that Indonesia would eventually suffer a similar fate. Through scrupulous monetary and economic management, however, the question of Indonesia suffering such a fate will eventually vanish."

SUARA KARYA concludes by saying: "It appears that such a worry re-emerges in view of the upcoming CGI [Consultative Group on Indonesia] in Paris in July. Thus, it was hoped that in this context, President Suharto's reasoned explanation of the foreign loans framed the issue in its correct perspective."

East Timor Group Reports 'Unprovoked' Attack

BK1906123595 (Internet) INDONESIA Listserv in English 1602 GMT 18 Jun 95

["Statement" issued by the National Council of Maubere Resistance on 19 June; place not given]

[FBIS Transcribed Text] On Sunday night 18 June at 1930 Dili time, Catholics returning home at the end of a religious procession to mark the celebration of "Corpus Christi" were suddenly attacked by Indonesian army personnel.

To mark this important Catholic festivity, as is traditional in the East Timorese capital, an afternoon procession took place from Motael Church to Lecidere. As they prepared to return home after participating in the procession, a group of residents of the suburb of Akadiru-Hum were attacked by what appeared to be Indonesian army personnel. Banners with Catholic religious symbols were snatched from the faithful by their attackers and destroyed.

The victims of this totally unprovoked attack reacted in self defence, and confronted the Indonesians. Details of casualties or arrests are as yet unavailable.

Dili sources have said that the population has reacted with outrage at news of this new incident. It is the latest of many religious provocations that have shaken East Timor and neighbouring Indonesian islands of West Timor and Flores in recent months, causing violent clashes. These disturbances have resulted in several dead and wounded, as well as damages to buildings. Only last week, violence erupted in the town of Larantuka on Flores after a Catholic

Laos

Central Bank Acts To Stem Kip Devaluation

BK2006071095 Bangkok BANGKOK POST (INSIDE INDOCHINA Supplement) in English 20 Jun 95 p 3

[FBIS Transcribed Text] Domestic economic problems are undermining the Laotian kip at a time adverse effects from the plunge in the US dollar seem to be easing.

The National Bank of Laos has strengthened regulations to control the use of foreign currencies in the country.

But the state's insufficient currency reserves and the national tax-take falling short of the projected level are behind the latest devaluation of the kip last Friday following a reduction in May, according to a commercial bank source.

The kip dropped to 786 to the dollar (31.90 kip to the baht) from 750 kip to the dollar (30.50 to the baht) in mid-May. Previously a dollar was worth 720 kip (28 kip to the baht).

The slide toward 800 kip to the dollar (35 to the baht), which was reached during the dollar crisis in March and April, underscores why some commercial bankers are adopting a wait-and-see approach.

The dollar's fall, which began in January, gained momentum when the US government helped support the Mexican economy. Investors in global money markets dumped the dollar and fled to stronger currencies such as the yen and the German mark.

A senior official from Foreign Trade Bank of Laos, who asked not to be named, said the obvious impact of the dollar crisis included prices rises of about 10 percent for consumer products and higher demand for dollars.

Landlocked Laos is highly dependent on consumer products imported from Thailand. The baht is closely linked to the dollar.

Siam Commercial Bank's Vientiane-based assistant general manager Kingkan Khuansakun told Inside Indochina that the impact on Laos was not as severe as in previous months.

"This is simply because the central bank has stepped in to control the commercial banks and currency exchange operators which used to be so powerful they could define the exchange rates," she said.

The National Bank several times consulted commercial bankers in Vientiane in an effort to manage the situation and ensure the kip remained credible.

The kip, dollar and baht are linked as various import-export payment documents made out in dollars must pass through bank accounts in Thailand before the cash is taken in baht.

The National Bank on May 16 announced immediate measures to tackle the influence of foreign currencies in Laos. Fees and payments for goods and services must be made in kip except where special permission is granted by the central bank. Price tags must be in kip only.

Allowed to accept foreign currency payment are duty-free shops at checkpoints and organisations or local banks with written authority.

Their buying and selling rates must not differ from official rates by more than 0.5 percent. The spread between the buying and selling rates cannot exceed the central bank rates by more than 1.3 percent. The central bank fixes its rates on a weekly basis.

People including businessmen who want to buy foreign currencies must present documents such as visas or invoices confirming their demand for the exchange.

Central bank officials are inspecting the 23 authorised currency exchange shops around the city and are examining price tags to ensure they are in kip. Violators face fines if found illegally trading in dollars or baht.

In practice, the black market for currency exchange is widespread in Vientiane. Hotels, restaurants and shops selling silver or souvenirs still accept payment in dollars and baht.

Another Thai banker said commercial banks could no longer send money back to their home country. The central bank would deal with any currency exchanges they required.

If the banks received too many kip from their clients in exchange for foreign funds, they would not have enough foreign currency for their import-export operations.

"But the adverse impact on banks may not be so serious as the repercussions on the public," he said.

"The trend will depend on everyone's efforts and cooperation to follow the law strictly."

The official said it might take time for businesses to adjust but the kip would not be stable and credible if they continued trading in foreign currencies instead.

A banker, who also wanted anonymity, said inflation was rather high but if the central bank could control the situation, the rate might decline.

The authorities had just begun exercising their powers so he could not see a trend.

SRV Ministry of Culture Delegation Visits

Calls on Deputy Prime Minister

BK1806073595 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 17 Jun 95

[FBIS Translated Text] Khamphoui Keoboualapha, deputy prime minister and chairman of the Planning and Cooperation Committee, received a courtesy call from a delegation of the SRV Ministry of Culture and Information led by Minister Tran Hoan yesterday afternoon [16 June] at the Planning and Cooperation Committee guest room in Vientiane. The SRV delegation is currently visiting our country.

The conversation between guest and host proceeded amid an atmosphere of warmth and mutual understanding. Khamphoui Keoboualapha welcomed the delegation and expressed appreciation for its visit to Laos. He noted that the relations of friendship, special solidarity, and all-around cooperation between Laos and Vietnam — especially between the Ministries of Information and Culture of the two countries — have improved steadily and constructively. The Vietnamese delegation's visit to Laos will significantly contribute to further strengthening and enhancing bilateral relations. The deputy prime minister wished Tran Hoan and his entourage success in their visit to Laos.

The delegation of the SRV Ministry of Culture and Information informed Deputy Prime Minister Khamphoui Keoboualapha of the results of its meeting with the delegation of the Lao Ministry of Information and Culture. During the meeting, the two sides agreed to enhance and expand continuously the relations of friendship, special solidarity, and all-around cooperation between the two ministries. At the end of the conversation, the Vietnamese minister expressed thanks to the Lao deputy prime minister for giving the delegation a warm welcome.

Later in the evening, Tran Hoan, Vietnamese minister of culture and information, led his delegation to visit Boungnang Volachit, lord mayor of Vientiane Municipality. On this occasion, the lord mayor of Vientiane warmly welcomed the state guests. During their conversation, guest and host expressed satisfactions with the great improvement in friendly relations between Laos and Vietnam at all levels.

Received by Prime Minister

BK1806092295 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 17 Jun 95

[FBIS Translated Text] Khamtai Siphandon, prime minister of the Lao People's Democratic Republic [LPDR], received a delegation of the SRV's Ministry of Culture and Information led by Minister Tran Hoan, who paid him a courtesy call at the Prime Minister's Office in Vientiane on the morning of 17 June. The Vietnamese delegation is currently visiting the LPDR.

During the meeting, which was filled with an atmosphere of warmth and understanding, Prime Minister Khamtai Siphandon highly valued the visit to Laos by the delegation of the SRV's Ministry of Culture and Information. Throughout the past period, Laos and Vietnam have been close friends with each other. The relations of friendship, special solidarity, and all-round cooperation between the two countries have improved dramatically. At present, their bilateral relations are being enhanced and developed in all fields. The current visit to Laos by the Vietnamese delegation will significantly contribute to the further strengthening and expanding of the relations between Laos and Vietnam, especially between the two ministries of information and culture.

The prime minister wished Tran Hoan and his delegation a successful visit to Laos.

The chief of the delegation of the SRV Ministry of Culture and Information informed Prime Minister Khamtai Siphandon of the results of their meeting with the delegation of the Ministry of Information and Culture of the LPDR. He expressed his satisfaction with the relations and cooperation between the two countries, Laos and Vietnam, which have been improving steadily.

At the end, the Vietnamese minister thanked the Lao prime minister for according a warm welcome to him and his party.

Burmese Military Delegation Ends Visit

BK1606142395 Vientiane Vitthayou Hengsat Radio Network in Lao 0430 GMT 13 Jun 95

[FBIS Translated Text] To promote the traditional relations of neighborly friendship and mutual understanding, a high-level military delegation of the Union of Myanmar [Burma] paid an official visit to our country for the first time. The official visit, from 5 to 11 June, was led by Major General Kyaw Than. The visit was completed with outstanding success. The high-level Myanmar military delegation was accorded a warm welcome by Brigadier General Douangchai Phichit, deputy head of the General Staff Department of the Lao People's Army, and officers concerned from the Lao side. The high-level Lao and Myanmar military delegations held a meeting to exchange views on the general situation. The two sides discussed means to improve the friendly relations and cooperation in the immediate future between the Lao and Myanmar Armies. They particularly discussed the setting up of offices for the Lao and Myanmar military attaches.

His Excellency Nouhak Phoumsavan, president of the Lao People's Democratic Republic, received a courtesy call from the Myanmar delegation in a warm atmosphere. On this occasion, our Lao president welcomed the visit to Laos of the delegation. He noted that the visit contributed to promoting the friendship and cooperation between the two countries in general and between the two armies in particular. The high-level military delegation of the Union of Myanmar also called on Lieutenant General Choummali Sai- gnason, national defense minister.

In the meeting with each of our Lao leaders, Maj. Gen. Kyaw Than thanked the Lao sectors concerned for the warm welcome accorded him and his delegation. He also expressed satisfaction over the outcome of the consultative meeting between the two sides. During the stay in Laos, in addition to visiting some cultural and economic establishments and various construction projects in Vientiane municipality, the high-level Myanmar military delegation visited Vientiane, Xieng Khouang, and Luang Prabang Provinces. Everywhere the delegation visited, it was warmly welcomed by provincial governors, provincial military commanders, and commanders of various Army units. In Vientiane Province, the delegation visited the zoological garden and the Nam Ngum hydroelectric power dam. In Xieng Khouang Province, Provincial Governor Phoumi Thipphavon organized a ceremony for the delegation to wish them well. The delegation also visited the Plain of Jars and viewed the parachuting practice of Unit A-4. In Luang Prabang Province, Provincial Governor Chansi Phosikham also held a ceremony for the delegation to wish them well. The Myanmar military delegation also visited the Phousi pagoda, the museum of the old palace, Phon Thong temple, and weaving products at Phanom village. Through its visits to those places, the Myanmar military delegation was impressed with the history and daily life of our Lao people.

This visit to our country by the high-level military delegation of the Union of Myanmar was completed with outstanding success. Following the visit, the mutual understanding was enhanced to a higher level. This will serve as an initial basis for the expansion of relations and cooperation in both the immediate future and the long term. The Myanmar military delegation left for home on the afternoon of 11 June.

Philippines

Spratlys Mapping Adding 5,570 Hectares

BK2006104395 Quezon City MALAYA in English 15 Jun 95 p 2

[Report by Minnie Cadelina]

[FBIS Transcribed Text] President Ramos yesterday said countries claiming the Spratly island chain should not be alarmed by the survey and mapping operations of the National Mapping and Resource Information Authority [Namria] on the Kalayaan islands where Philippine lighthouses and markers would be put up.

The president said Namria's activities are part of its regular function of studying the various characteristics, landmarks and highlights of the Philippine archipelago.

"Namria is just doing this by high-tech means. They are plotting by satellite and computer systems," Ramos said in his press conference.

Brig. General Carlos Tanega, Western Command chief, has admitted that Namria has started surveying Kalayaan, a part of Spratlys being claimed by Philippines, for the purpose of building the lighthouses and markers that will define the country's archipelagic waters.

Points at which the lighthouses will be set up will effectively add an additional 11,042 square nautical miles or 5,570 hectares of archipelagic waters to the country's territory.

Ramos said that if the 200-mile exclusive economic zone under the United Nations Convention on the Law of the Sea (UNCLOS) would be supplied, the country's archipelagic baselines would even be more than what has been reported.

PRC Will Never Be 'Threat' Envoy Assures

BK2006080895 Manila MANILA BULLETIN in English 11 Jun 95 p 35

[Report by Frank A. Evaristo]

[FBIS Transcribed Text] "China is not and will never be a threat to other countries in the world even if China becomes rich and prosperous in the future," Chinese Ambassador to the Philippines Guan Denming said at a reception marking the 20th anniversary of the establishment of Sino-Filipino diplomatic relations, at the Hotel Intercontinental Manila, with Secretary of Foreign Affairs Domingo Siazon Jr. as guest of honor.

China will always contribute to safeguarding of world peace and promoting economic developments, he said.

"Separated by a mere strip of water, China and the Philippines are friendly neighbors with amicable contacts and exchanges between our two peoples dating back to the ancient past. The history of the Sino-Filipino relations is a history brimming with friendship characterized by mutual sympathy and mutual support of our two peoples," the ambassador said.

With the official establishment of diplomatic relations between China and the Philippines on 9 June 1975, he said, bilateral relations entered a new stage.

"Facts of the past two decades have proved that the normalization of the Sino-Filipino relations not only conforms to the fundamental interests of our two peoples, but also is conducive to regional peace, stability, and development."

Recent years, he said, saw frequent exchanges of high level visits between China and the Philippines, notably President Ramos' visit to China in 1993. His talks with President Jiang Zemin have further deepened mutual understandings and friendship.

During the past few years, the ambassador continued, the trade volume between two countries registered a tremendous increase with more than $700 million for 1994 and two-way investment, contracts, and labor cooperation have started from scratch with a thriving momentum ahead.

In addition, he said, there have been highly brisk and extensive exchanges both in the cultural and sports fields and on the people- to-people level.

There still occur some unsettled problems between China and the Philippines. We can surely find solutions to these problems as long as we hold negotiations in a sober minded, pragmatic, and constructive manner.

"If we can't solve these problems for the time being, we can shelve them temporarily and the developments of our bilateral relations should not be affected by certain problems."

The ambassador said he was pleased to note that the Philippine Government recently deleted China from the list of socialist and centrally planned economy countries.

"We heartily welcome this wise decision. China treasures the hard-won Sino-Filipino friendly relations and to continue to strengthen our friendly relations is an unswerving policy of the Chinese Government.

"I'm convinced that through our concerted efforts, a more beautiful and brilliant future will certainly prevail in relations between China and the Philippines."

The Chinese people, he said, are undertaking their reform, opening-up, and modernization drive and China's development needs a peaceful and stable international environment. To actively develop friendly and good-neighborly relations with surrounding countries is a basic starting point of China's foreign policy.

"China respects and supports ASEAN's proposition of establishing a zone of peace, freedom and neutrality in Southeast Asia and its wish to establish a nuclear-weapon free zone. At that same time, China is ready to take an active part in the regional and sub- regional economic cooperation in Southeast Asia.

"China is not and will never be a threat to other countries in the world even if China becomes rich and prosperous in the future. As peace-loving is an excellent tradition of the Chinese nation, China will always contribute to safeguarding world peace and promote economic developments."

New MILF Threat in South Outlined

95P30110A

[FBIS Editorial Report] The 20 May Manila BALITA in Tagalog on pages 1 and 2 reported that according to Southern Command Chief Major General Edgardo Batenga, the Moro Islamic Liberation Front [MILF] is building up its forces and logistical resources. The 5,000-men MILF broke away from the main Moslem insurgent group, the Moro National Liberation Front [MNLF], following a leadership row. The MNLF has since signed a ceasefire with the Philippine Government to negotiate for autonomy, but the MILF is not covered under the ceasefire. Since August 1994, MILF fighters have been threatening an irrigation dam project in Carmen, North Cotabato Province. Although the military drove the MILF guerillas from the site, killing 20 of them, they have failed to disperse the MILF forces. Another MNLF breakaway group, the Moslem fundamentalist Abu Sayyaf, has been blamed for the Ipil massacre in April, which resulted in more than 50 casualties.

MNLF Warns Government on Peace Talks

Government Attacks 'Disturb' Talks

BK1906115695 Manila THE MANILA CHRONICLE in English 14 Jun 95 p 7

[Report by Eric Garafil]

[FBIS Transcribed Text] The Moro National Liberation Front (MNLF) yesterday warned government that recent military offensives in MNLF-controlled areas in Basilan "disturbed the atmosphere of confidence on the peace talks."

However, MNLF Secretariat Chairman Ibrahim "Abet" Iribane stopped short of saying the military operations in MNLF-controlled areas against suspected Abu Sayyaf extremists threatened to scuttle the peace talks.

Iribane said what disturbed the MNLF was not that Armed Forces Southern Command [Southcom] under Lt. Gen. Edgardo Batenga attacked suspected Abu Sayyaf extremists inside MNLF-controlled territory but the refusal of Batenga to make any effort to coordinate with MNLF about the attacks.

"Hindi naman importante kung MNLF territory 'yung area, ang importante ay hindi sila nakipag-coordinate sa MNLF na maaring maapektuhan ang offensive [It is not important if the area is an MNLF territory, what is important is they did not coordinate with the MNLF what the offensive could affect]," Iribane stressed.

He said that innocent civilians could be hurt and misencounters between government troops and MNLF could occur.

Iribane said that four MNLF regulars were wounded in a recent military offensive against suspected Lost Command members in Lower Singcapang.

He said the same thing happened in Pilas Island where the military launched an air strike and ground offensive on suspected raiders of Ipil where 21 suspected members of the Abu Sayyaf were captured.

Iribane said that Pilas Island is considered to be a traditional home base of the MNLF while most of those affected in the raid were MNLF sympathizers.

Contrary to the Southcom pronouncements, Iribane claimed there were 28 not 21 persons arrested in the Pilas assault and one of those arrested was a relative of MNLF Commander Janjalani.

Despite the repeated cease-fire violations allegedly committed by the military, these would not affect the peace talks.

Meanwhile, Batenga vowed to continue the military offensive against "lawless elements" in Basilan despite the repeated protests hurled by the MNLF.

Batenga said while the Southern Command is "committed to support the peace talks" with the MNLF, it cannot oblige MNLF request to stop military operations in Basilan because his command cannot relinquish its "duty and responsibility" to conduct security operations in the province.

Chief Warns of Renewed War

BK2006055095 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 19 Jun 95

[Passages in italics in Tagalog]

[FBIS Translated Text] Moro National Liberation Front [MNLF] Chairman Nur Misuari warns war may break out anew in Mindanao if peace talks with the government do not succeed. Earlier, Misuari insisted on the establishment of a Muslim provisional government in Mindanao. If this condition is not met, further talks could be futile.

Government negotiator Eduardo Ermita has appealed to Misuari to stop insisting on a provisional government. According to Ermita, the political situation in Mindanao is different than before.

[Begin Ermita recording in English, in progress] ...from the political conditions (?prevailing) now, at that time, President Marcos had martial law powers, and can just issue executive orders with the effect of law, *now* that cannot be done, *can it*? So, we are operating by Republic Act 6734, and if there is anything to be implemented it has to be the amendment of the republic act, which will have to go to Congress. [end recording]

On the other hand, Chairman Nur Misuari belittled the threats of violence from Abu Sayyaf. According to Misuari, the Abu Sayyaf will appear ridiculous if it fights against the MNLF. Misuari is confident that no one will have the guts to challenge the capability of the MNLF because of its connections in Mindanao. However, Misuari warns that the Abu Sayyaf could grow bigger if the government ignores the demands of the MNLF. Peace talks are currently being held in Mindanao. Earlier, Misuari asked the government to grant him 150 bodyguards because of threats to his life. The government decided to give him only 15, but Misuari arrived in Davao with 100 bodyguards.

Armed Forces 'Belittled' MNLF Threat

BK1906115595 Manila MANILA STANDARD in English 13 Jun 95 p 15

[Report by Fel V. Maragay]

[FBIS Transcribed Excerpt] The Armed Forces of the Philippines [AFP] yesterday belittled the threat of the Moro National Liberation Front (MNLF) to abandon the peace talks and resume all- out hostilities if government troops are not stopped from launching attacks in areas in Sulu and Basilan allegedly controlled by the MNLF.

Gen. Arturo Enrile, AFP chief of staff, allayed apprehensions that the Army's pursuit operations against Abu Sayyaf terrorists in Pilas Island Group in Lantawan and in Tuburan, Basilan Province will cause the collapse of the peace talks.

"This is just one of the points of the discussion that will not necessarily derail the peace talks. Maliit na bagay iyan [That is a small thing]," Enrile told newsmen during the Independence Day rites in Kawit, Cavite.

MNLF commanders have vigorously protested the military offensive in the areas they claimed to be under their control.

The AFP claimed that several Abu Sayyaf terrorists were killed in its attacks in Pilas Island Group. But the MNLF complained that the casualties were actually MNLF members.

Enrile said the AFP does not encroach on areas which have been identified as MNLF territories in the joint cease-fire committee.

"But there is nothing that should stop us from operating in any areas of the Philippines where there are lawless elements. That I think must be understood very well," he said.

Enrile said that military commanders are under strict orders to coordinate with the MNLF during pursuit operations against Abu Sayyaf in MNLF-identified areas.

War footing

MNLF commanders in Basilan have reportedly told their men to gird for a full-scale war in anticipation of the MNLF pullout from the peace talks.

Gen. Enrile said a team composed of military observers from Indonesia (representing the Organization of Islamic Conference), the AFP and MNLF will conduct a probe on the recent armed clashes in Basilan.

He also assailed the MNLF for claiming targets of military operations to be its own even if these are not included in the list of MNLF-identified areas submitted to the cease-fire committee.

"They should not declare every area as included in supposed to be MNLF camps because hindi naman puwedeng [it could not be] it is the whole of Mindanao for that matter," Enrile said. [passage omitted on Enrile's statement on two warring political camps in Sulu]

Communist Leader Explains Decline in Ranks

BK2006104595 Quezon City MALAYA in English 16 Jun 95 p 6

[Report by Florencio Narito]

[FBIS Transcribed Text] Legazpi City — Captured dissident leader Sotero Llamas alias Ka [Comrade] Teroy or Ka Nonok Thursday gave five reasons for the decline of the guerrilla movement in the Bicol region.

Llamas, chief of the NPA [New People's Army] Bicol Regional Party Committee, said insurgents have decided to either lie low or surrender because of the following:

— They are exhausted in the field with meager resources to survive.

— They encounter family problems arising from the long absence which weaken the desire to continue to fight.

— They are exposed to extreme weather conditions, many of their members getting sick and getting medical attention is very hard and risky.

— Internal conflicts in the organization, usually resulting in summary execution.

— Most of the NPA rebels are facing criminal cases.

The top NPA leader in Bicol also revealed that during the last elections, they collected some P [pesos] 5.15 million in "permits to campaign" from 15 local politicians. In addition, they also received 45 high-powered firearms, six cal. [caliber] .45 pistols, and 43 VHS [acronymn as published — expansion unknown] radios.

When asked if he would be replaced by Iglecerio Pernia aka [also known as] Choy and Amparo Hicarte also known as Ka Loida, Llamas only flashed a smile, implying he does not trust Ka Choy. To him, all the probable NPA leaders are weak, which was why he said he had to go down to unite the warring factions.

Llamas was captured May 17 in Juban, Sorsogon in an encounter with the elements of the 2nd Infantry Battalion. He was reportedly collecting the balances on the campaign fees from politicians.

Five MNLF 'Lost Command' Members Surrender

BK2006092395 Manila MANILA BULLETIN in English 12 Jun 95 p 1

[Report by Nonoy E. Lacson]

[FBIS Transcribed Excerpt] Zamboanga City — Five members of the Moro National Liberation Front (MNLF) "Lost Command" have surrendered to the military in Basilan Province, the Armed Forces of the Philippines (AFP) Southern Command (Southcom) here reported yesterday.

The group has been operating in the hinterlands of Tipo-Tipo, Basilan for several years, the military said.

Southcom officials identified the surrenderees as Ambasi Hamsi, Winsen Ahlam, Taks Alludin, Abdul Hamsir Hassan, and Alam Anjal.

The group led by Hamsi surrendered to the 72nd Infantry Battalion [IB] at barangay [village] Bohe Libong in Tipo-Tipo last Thursday.

The five are under tactical interrogation at the headquarters of the 72nd IB in Basilan. [passage omitted on report of firefight between communist rebels and Army troopers in a village in Zamboanga del Sur]

Security Stepped Up at Airport

BK1906125495 Manila MANILA BULLETIN in English 14 Jun 95 p 12

[Report by Ronniel C. de Guzman]

[FBIS Transcribed Text] The Police Aviation Security Command (PASCOM) has intensified security procedures at the Ninoy Aquino International Airport which includes 24-hour mobile, perimeter, and foot patrols in all critical points of the country's premier airport.

Col. Librado Matibag, PASCOM chief, said personnel from the Philippine National Police were also called in to reinforce existing complements.

"We reinforced the manning of strategic areas by redoubling uniformed personnel as well as implemented "OPLAN Paghihigpit [Operation Tightening]" at the ramp area and other entry and exit points to the airport," Matibag said.

Redundancy checks were also conducted not only on U.S. flag carriers but so with other airlines, Matibag claimed.

Thailand

ASEAN Urged To Push Burma on Aung San Suu Kyi

BK2006070495 Bangkok THE NATION in English 20 Jun 95 p A4

[Editorial: "Aung San Suu Kyi is Still Burma's Beacon of Hope"]

[FBIS Transcribed Text] Nobel Peace laureate Aung San Suu Kyi turned 50 yesterday, while still under house detention by the ruling military junta in Burma. It will have been six years on July 19 that she has been held under house arrest by the State Law and Order Restoration Council [Slorc].

"Even while under detention, sacrificing her life and facing such loneliness, her struggles for democracy and human-rights have been active and vital with utmost vigour and perseverance for the entire people of Burma," said the All Burma Students' Democratic Front, in a press release commemorating Suu Kyi's birthday.

The pro-democracy leader's struggle has indeed been a very brave one. In the face of repression, and being denied any emotional comforts of being together with her family, she still has managed to stand her ground and hold firm to her convictions. Her imminent release, however, seems bleak and this was confirmed recently by US Congressman Bill Richardson, who returned from Rangoon in a bid to visit the Nobel laureate.

Speaking at a press conference in Bangkok, Richardson said he was denied access to Suu Kyi or any other political prisoner during his visit. The Democrat also said he did not believe the National League for Democracy (NLD) leader would be released on July 19, the day that marks her sixth year under house arrest, which is the maximum length of time under Slorc law. Richardson quoted the Burmese junta as saying that Suu Kyi was surrounded by communist elements and that she had been forgotten by her own people and, therefore, should not be released — excuses which Richardson said were very weak.

The Slorc has a reason in wanting to isolate Suu Kyi. At this moment in Burma, she represents the only hope of the pro-democracy movement fighting for the removal of the military junta which seized power in 1988. The Slorc refused to acknowledge the results of the 1990 election, which the NLD won by a landslide, and retaliated by rounding-up and detaining NLD activists and politicians. Clearly, if Suu Kyi goes, Burma's fight for democracy will be doomed.

The sad thing is that the international community has not accorded Aung San Suu Kyi's struggle the same status as that of Nelson Mandela in his fight against apartheid in South Africa. Mandela's incarceration triggered off global economic sanctions against South Africa's white regime, and led to an international uproar against the human rights abuses occurring there.

The overriding question is why hasn't there been a similar outcry against Slorc's brutalities? Is it because Suu Kyi is an Asian woman? Is it because the economic stakes are too high for sanctions to be imposed against the Burmese junta? The questions are there, but the answers are not forthcoming.

Even Congressman Richardson expressed his frustration. "As millions of dollars pour into Burma without any constructive pressure and dialogue on human rights, the cause of democracy in Burma and Aung San Suu Kyi is forgotten. This is not right."

Soon after taking power in 1988, Slorc invited foreign businessmen to capitalize on the country's resources. Many businessmen flocked to Burma to take advantage of the opportunity to make handsome profits along with the generals. The result of the open-market economy has been to deposit a good deal of the country's wealth in the hands of a few top military officers and business families. And despite the relative poverty of Burma, more than one- third of the country's annual budget still goes to defence-spending. There's no doubt that foreign investment is funding repression in the country.

As Slorc's rule grows old, there is no sign that the generals are easing their reign of terror. The Burmese junta last week appointed six senior army commanders to Cabinet posts in a move designed to open up positions for a fresh crop of military leaders.

A key to pressuring the Slorc to ease up on Burma is with Asean. Unfortunately with the regional grouping, it has been business first, business second and business again. In the name of "constructive engagement", Thai, Singaporean and Malaysian businessmen rushed in with hundreds of millions of dollars in investments. With a finger in every pie, the Slorc generals were ready to reap the rewards from their conversion to capitalism in a spectacular fashion. Shamelessly, Asean now looks set to invite Burma as a guest of their ministerial meeting next month in Brunei Darussalam.

Economic engagement has not turned Burma around, and there is little evidence to indicate that constructive engagement will make the Slorc less of monsters. The international community must pressure Asean to yank Burma's invitation to be present in Brunei Darussalam unless Aung San Suu Kyi and all political prisoners are freed.

The beacon of hope for Burma's struggle for freedom is Aung San Suu Kyi and all democracy-loving people have a moral duty to ensure that she is never forgotten.

Suphachai Defends Money Basket Formula

BK2006070095 Bangkok THAILAND TIMES in English 20 Jun 95 p B1

[FBIS Transcribed Text] Bangkok — Deputy Prime Minister Suphachai Phanitchaphak insisted that Thailand's present formula of money basket should not be adjusted as the volatile US dollar has a positive effect on the country.

The Deputy Prime Minister disagreed with a Federation of Thai Industries' (FTI) report that the appreciation of the baht against the US dollar causes Thailand's export value to reduce by about 50 billion baht annually while the country's profit gaining from foreign exchange is only 4-5 billion baht a year.

He said that the depreciated baht against yen would make Japanese investors move their production bases for textile, auto parts, and electronics to Thailand.

"The economic situation of Thailand at present is like that of Japan when the exchange rate of the yen to US dollar was 200 yen per one dollar. During that time, Japan was criticized for being a country suffering from a bad economy. However, Japan has finally overcome the economic obstacles and becomes the country which imports raw materials and energy, and manufactures products to compete with other countries in the world market", he said.

He added the devaluation of baht is not suitable as the currency is not too much appreciated against the US dollar. The immediate devaluation of baht will bring about problems. Besides, many foreign investors are still confident in the baht value.

In a bid to solve the financial problem, Thailand has to speed up in becoming the financial hub of the region. This way, the baht will be accepted worldwide as one of the strong currencies.

Cabinet To Scrutinize Rules on New Banks

BK1906071095 Bangkok THE NATION in English 19 Jun 95 p A 1, 7

[FBIS Transcribed Text] Copies of the new regulations relating to the setting up of new commercial banks in Thailand will be presented to the Cabinet on Tuesday by Finance Minister Tharin Nimmanhemin, informed sources said yesterday.

The Finance Ministry has proposed allowing at least five new domestic banks to create competition in the banking industry, distribute wealth to provincial areas and comply with financial liberalization requirements set by the World Trade Organization.

The proposed terms of reference were subjected to minor last- minute changes following extensive debate between officials of the Bank of Thailand, Finance Ministry and the Securities and Exchange Commission [SEC], the source said.

The paid-up capital for new banks had been reduced from Bt8 billion to Bt7.5 billion. Banks were required to offer no less than a 50 per cent shareholding to retail investors at Bt1O par, and each could hold no more than 0.5 per cent of its capital.

Individual retail investors could not buy more than 10,000 shares and must be members of savings cooperatives or pension funds and have income tax records.

The core shareholders must declare where they obtained the funding for the new banks. No nominees would be permitted and background checks would be made by the SEC. Core investors would not be permitted to sell their shares for five years.

The share distribution process must be made as soon as the licence is granted, the source said.

As a group, finance companies would be able to hold a 25 per cent stake. But since finance firms are restricted by the law to holding no more than 5 per cent in a bank, they would have to form a group to hold the 25 per cent stake.

By allowing the finance companies to hold a quarter of a new bank, the authorities are forcing finance firms to split from their securities arms as soon as possible to avoid possible conflict of interest.

A securities operation could hinder a new bank's opportunity to enter the underwriting business. The Securities and Exchange Commission has already allowed banks to underwrite debt instruments.

The other terms remained unchanged, the source said, including requiring core finance firms to unload bank shares, if available, in their portfolio in five years.

The size of a new bank's assets has not been limited, but the terms state clearly that it is not intended that finance companies become banks.

Permanent Finance Secretary Aran Thammano and Bank of Thailand Governor Wichit Suphinit will co-chair the committee to consider application for new bank licences. The directors-general of the departments of Revenue, Excise, Customs, Treasury, Comptroller General, and the Fiscal Policy Office under the Finance Ministry will be committee directors.

At least 11 committee members will come from the Bank of Thailand. Aside from Governor Wichit, the two deputy governors, Roengchai Marakanon and Ekamon Khiriwat, will become directors.

The finance minister will not sit as a committee member, an attempt to cut down the political pressure.

After the terms are announced later this month, licence applications will be open to the public between July and August. The committee will decide between November and January 1996. The final results will be submitted to the Cabinet for approval between February and April 1996.

The proposed terms of reference show that authorities want only professional financiers to set up the new bank. The terms encourage small finance companies to merge with the larger, more powerful ones.

The Financial System Master Plan sets conditions for mergers between commercial banks and finance companies, including a provision whereby the authority can one day order two financial institutions to merge.

As a merger incentive, there is also provision to let the Bank of Thailand set guidelines for the sale of the remaining licence when two finance institutions merge.

At present, five finance companies— Finance One, General Finance and Securities, Thana Siam Finance and Securities, Thai Investment and Securities and First City Investment and Securities — are named to seize the much-heralded opportunity.

Army Reshuffles Rifle Procurement Panel

BK2006061495 Bangkok THE NATION in English 20 Jun 95 p A1

[FBIS Transcribed Text] An army panel considering the purchase of 200,000 rifles has been reshuffled and will reconsider models tendered by foreign firearms producers, as ordered by Army chief Gen Wimon Wongwanit, an Army source said yesterday.

Army chief-of-staff Gen Suthep Siwara was appointed as new panel chairman replacing former Army chief-of-staff Gen Phaibun Emphan, who has been made deputy Army commander-in-chief, and all the junior members of the panel have been changed, according to the source.

The source said the reshuffled panel plans to test all 11 tendered rifle models again and to allow additional firearms producers to tender their models. The panel will ask for 42 rifles of each model for testing.

The panel last month completed its rifle selection and recommend two models: the United States' Colt M-16 A-2 and the Australian Steyr rifle. But Wimon suggested that the panel run more extensive tests on the guns, the source said.

Forty-two rifles of each tendered model will be distributed to rangers who will use them in real situations, the source said.

In the past tests, the source said, producers allowed the panel to test only a small number of the models. The working panel was afraid that the rifles tested might be in better condition than the final product sold to the Army, so it is demanding 42 of each model in the new round of tests.

Natural Gas Deal Negotiated With Burma

BK1706081995 Bangkok THAILAND TIMES in English 16 Jun 95 p 1

[FBIS Transcribed Text] Bangkok — The Petroleum Authority of Thailand (PTT) is speeding up contract negotiations for the natural gas supply in the Yetagun field in the Gulf of Matarban, Myanmar, [Burma] said PTT senipr vice president for the Natural Gas Business Unit, Anon Sirisaengthaksin.

Anon said Thai delegates from PTT led by Pratya Phinyawat, president of the Natural Gas Business Unit, went to Myanmar to negotiate the second contract for natural gas supply with U.S. oil firm Texaco Ltd. They were attempting to clarify unresolved issues such as pricing, quantity and quality of the gas.

The first natural gas supply contract from Yadana field was finalized in February of this year.

"Both sides want the contract to be agreed upon as soon as possible, so gas can be sent through the pipelines to Thailand's Kanchanaburi Province. The gas will primarily be used for electricity generation in the Rat Buri provincial power plant run by the Electricity Generating Authority of Thailand (EGAT).

It ,will be sent through the same lines used for gas sending from the Yadana field," Anon said.

Anon said the pipeline would be extended from a 36 to a 42-inch diameter if the gas was sent through the same lines.

PTT is now opening the bidding for private firms to compete in the construction and design of the 300-kilometer pipeline from the Thai-Myanmar border to Rat Buri Province.

Pricha Chungwatthana, EGAT deputy general manager for Policy and Planning, said EGAT bought 1,500 rai [600 acres] of land near Rat Buri municipality for the 4,600-megawatt power plant construction .

"The plant is expected to be completed by 1998, at that time gas from Yetagun will be used for generation," he said.

Student on Hunger Strike Dies During Detention

BK1606103295 Bangkok NAEO NA in Thai 15 Jun 95 pp 1, 9

[FBIS Translated Excerpt] According to a source in the Police Department, Soe Soe, a Burmese student, 23, died during his detention at the Police Privates School in Bangkhen District in Bangkok on 13 June. His body was sent to the Forensic Institute of the Police Department for examination. Soe Soe was arrested together with other 64 colleagues during unrest at the Maniloi Burmese refugee center on 16 March. The Burmese students were alleged to have assaulted police officers at the center and were later sent to the police school for detention. They started a hunger strike demanding to be sent back to the center and claimed that they were innocent because the authorities could not prove their wrongdoing.

Jonh Aung, public relation officer of the ONSOB [expansion unknown], a Burmese student organization, told reporters during an interview that he knew about the hunger strike, although the Thai police tried to keep it secret for fear that the news would leak to foreign countries.

He said: "Prime Minister Chuan Likphai said in an interview that was disseminated worldwide that Thai policemen were killed during the riot at Maniloi center. The fact is however that the police suffered only slight injuries. Chuan will not like it if the fact is publicized since it will prove that he lied to the people of the whole world."

John Aung said before the hunger strike that he and his friends were allowed to visit the students at the detention place, adding that the students were refusing to eat anything. [passage omitted]

Vietnam

Deputy Minister Views ASEAN, Normalization

BK2006091695 Hanoi VIETNAM ECONOMIC TIMES in English Jun 95 pp 12, 13

[Interview with SRV Deputy Foreign Minister Le Mai by an unidentified correspondent; place, date not given]

[FBIS Transcribed Text] **Why has ASEAN been so keen to have Vietnam as a member so quickly?**

I think in the world today developments are very rapid. APEC [Asia-Pacific Economic Cooperation], for instance, happened quickly. The EC's transformation into the EU. I would like to make clear that Vietnam's welcome entry into ASEAN has always been a two-way street. And it will continue to be so. As you may recall, right after Vietnam become an ASEAN observer, ASEAN countries began to express their desire to see Vietnam fully join ASEAN soon. There is no haste on either side but merely a need to make their dynamics work better instead of lagging behind, only to watch rapid transformations taking place as the world moves into the 21st century.

Vietnam has a different economic structure from other ASEAN countries. It would appear that the differences are in fact rather great.

We have received groups of experts from ASEAN countries to study this and according to them, the differences are not big. Much to my surprise. I thought that the differences would be big. Joining ASEAN does not require a question of changing the tax structure, for example, at once. But on joining AFTA [ASEAN Free Trade Area], that would be an obligation. The countries in the region have accepted the fact that Vietnam is at a different stage of development and that the transitional period for Vietnam will be three to five years.

Ideologically, too, Vietnam is aligned rather differently from other ASEAN members.

Ideology has never been a motivation by either side behind the Vietnam membership issue. Fortunately, we are now in an era where geo-economics is an overwhelming factor that enables us all to move beyond ideological boundaries in order to sustain mutually beneficial cooperation. It should also be noted that ASEAN is a diverse entity and has been extremely successful in securing "unity in diversity", strictly in line with the principles of the Treaty of Amity and Co-operation (TAC), a code of conduct to which Vietnam is a party.

As soon as Vietnam joins ASEAN it becomes a competitor of the other ASEAN countries. Is there not a danger that Vietnam, starting from such a low level of development, will find itself at a competitive disadvantage vis a vis its fellow ASEAN members?

Of course, there are concerns about that problem. On the other hand it would be worse if we weren't joining ASEAN. In the world today people are trying to organise themselves into geoeconomic groupings and that is why if we don't join ASEAN it will be very difficult for Vietnam to integrate into the world economy. Of course, we have certain financial constraints but it is not something that we can not do anything about.

In export terms, isn't China the biggest threat to Vietnamese competitiveness?

I wouldn't use the word threat. But I think there's quite a lot of competition from China's cheap goods. Vietnam has to face that competition. We can't say no to Chinese goods. With free trade, one can not say you can't play the game. You have to play the game but you should try to at least make it a level playing field.

You spent two hours with (U.S. Assistant Secretary of State for Asian Affairs) Winston Lord (last month) discussing regional security issues. Only a few days before your meeting, China made an underground nuclear test only days after world powers signed the Nuclear Non-proliferation Treaty. Did you touch on the possibility that China was the biggest threat to the security of the region?

No, we didn't discuss anything like that. These talks are like many other talks recently with the State Department. Vietnam supports the complete destruction of nuclear weapons and we support the complete ban of nuclear tests and the production of nuclear weapons. What are the dangers to peace and security in this region? Perhaps everybody agrees that the two areas that we have to pay attention to most is the Korean peninsula and the question of the Eastern Sea (South China Sea). I am still optimistic as there are some mechanisms of talks, particular of the matter of the South China Sea. It's not an easy process but it's the only one that's appropriate.

Singaporean elder statesman Lee Kwan Yew recently said that Vietnam could count on the support of ASEAN in its disputes in the South China Sea. Do you seek that support?

There are people who think we are joining ASEAN because we want to get together with other ASEAN countries to oppose somebody else. That's not true. Joining ASEAN is part and parcel of our overall strategy of diversifying relations with all countries.

Obviously ASEAN is not a military grouping but if it were to come to you and say "We'd like to make some statements showing solidarity with you", would you reject that?

It is ASEAN's policy not to take sides and to oppose anyone. You may have read ASEAN's statements — for instance the Manila statement and the latest statement on the question of the South China Sea — and you will see that what they are supporting is the principle of peace, the non-use of force and support of the law of the sea.

But if ASEAN found itself threatened by China to an intolerable degree, surely logically ASEAN would have to try and exert some unified political pressure?

ASEAN will find a consensus to address that matter. But the principle of ASEAN, including Vietnam, would be peace and stability and to settle disputes through peaceful negotiations.

The Americans are now no longer in Subic Bay (in the Philippines), they are uncomfortable about the cost of maintaining their military presence in the Republic of Korea. Do you think they would quite like a role elsewhere in Southeast Asia?

The Republicans are cutting budgets almost everywhere. I heard on the news this morning that there is a draft law that would put USAID and the Voice of America under the State Department's budget as a way of cutting down spending. As to the position of Vietnam, we want positive participation of the major powers, including the United States, in maintaining peace and stability on this region by strengthening political and economic links with the countries in the region. But I don't think military bases are a suitable option.

You were talking earlier of things moving fast in the world. However the normalisation of relations with the U.S. is one thing that is not moving very fast. However there seem to be increasing signs that things are moving slightly faster. Do you think that the Americans are seriously looking at a window of opportunity in which to normalise?

On the occasion of the 20th anniversary of the end of the war, I was asked by a reporter why it's taking so long to normalise relations. Why, between the U.S. and Vietnam, it is so difficult? My answer to that journalist was, only God knows. It is something that people are complaining about. I think it is high time for normalisation but this is rather a sensitive issue in the States. In the U.S., the society was so divided by the Vietnam war and after 20 years they understand that the only way to overcome that is to build a new type of relationship with Vietnam. The longer the abnormal situation the bigger the division in U.S. society. If the U.S. wants to become a world leader and be a strong nation it should overcome this matter.

If you were able to meet Richard Nixon today, what would you say?

I would say that if Mr. McNamara admitted that the war in Vietnam was "terribly wrong" then the course defended by Nixon, Kissinger, and everybody else was the wrong cause, terribly wrong cause.

Khmer Rouge Attacks in Cambodia Denounced

BK1906142895 Hanoi Voice of Vietnam in English 1000 GMT 19 Jun 95

[Station commentary]

[FBIS Transcribed Text] Relief agencies in Cambodia reported that last week more than 1,000 Cambodian civilians had to leave their homes following fierce attacks by the Khmer Rouge. Here is our review of the situation:

In the last 10 days, the Khmer Rouge launched attacks in many places in Battambang, Banteay Meanchey, and Poipet Provinces. Mr. (Nochino), security director of the Cambodian Ministry of Interior, said that on June 13 some 80 Khmer Rouge bandits attacked an oil tanker and a passenger bus, killing two women. They attacked two places on Highway No. 4, some 75 km south of Phnom Penh. At the same time, the Khmer Rouge abducted 58 civilians in Bavel District, 50 km of [as heard] Battambang Province. On June 14 the Khmer Rouge again attacked Dong Aranh in Banteay Meanchey Province, 60 km from the border, forcing 400 families to leave their homes.

A relief organization in Cambodia reported that on June 15 the Khmer Rouge assaulted a market place in Poipet burning down all shops, taking away the local people's property, and killing and wounding many people. Meanwhile, they continued their attacks in Dong

Aranh and Sala Kraham near Poipet to check supplies of the government troops from Sisophon.

These developments show that the situation in Cambodia is somehow similar to that prior to the UN-sponsored elections. Although the Cambodian Government and people have received assistance from the governments and peoples in the world for their national reconstruction, continued fighting will cause instability and obstruct national reconstruction activities.

King Sihanouk was right when he said: If the Khmer Rouge issue is not resolved, peace and stability in Cambodia will continue to be threatened.

The Cambodian Royal Government's efforts to reach an agreement in the spirit of national reconciliation and concord have been rejected by the Khmer Rouge who have resorted to military activities to usurp the power, though they understood well that they could by no way turn the tide.

What is going on in Cambodia now causes worry to public opinion in Cambodia and the world as it not only affects stability in Cambodia, but also threatens peace and stability in Southeast Asia.

Lao Press Delegation Arrives 13 Jun

BK1906072395 Hanoi VNA in English 1435 GMT 18 Jun 95

[FBIS Transcribed Text] Hanoi VNA June 18 — A delegation of the Press Department of the Lao Foreign Ministry led by its director, Mr. Thouan Volasan, is paying a week-long working visit to Vietnam beginning on June 13.

The delegation held talks with officials of the Press Department and Foreign Press Guiding Centre under the Vietnamese Foreign Ministry. It was also received by Le Mai, deputy foreign minister, Do Van Tai, deputy head of the External Relations Commission of the party Central Committee and Ha Hoc Hoi, deputy head of the Commission for Ideology and Culture of the party Central Committee.

Vu Oanh Inspects Mass Motivation Work

BK1806095795 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 17 Jun 95

[FBIS Translated Text] Comrade Vu Oanh recently made an inspection tour of Ho Chi Minh city and Ba Ria-Vung Tau Province, where he reviewed the implementation of a party Central Committee resolution on the need to renovate the party's mass motivation work and enhance the relations between the party and the people.

Speaking to leading comrades and cadres of these two localities, Comrade Vu Oanh accurately discussed the need to review the renovation work. He said that this must be regarded as a strategic task in the new stage aimed at exploiting the potentials — mind, energy, and efforts — of the entire nation. This would oppose the sabotage schemes of the hostile forces and build a prosperous, powerful, civilized, and modern country. It is necessary to achieve cooperation between the central and local authorities to review this task satisfactorily. Cooperation is particularly necessary at the grass roots, since the ultimate goal of mass motivation work is to create a movement for action from the grass roots.

Comrade Vu Oanh provided some inspiring opinions on how to review the mass motivation work by various localities. He said: Reality has demonstrated ever more profoundly that revolutionary undertaking belongs to the people. The development of social welfare, democracy, human rights, and intellectual standards must be carried out truly for the sake of the people. The party Central Committee's Resolution 8-B calls for the launching of five mass movements mainly for popularizing to the fullest the aforementioned tasks, which are aimed at promoting socioeconomic, cultural, educational, and public health development; the maintenance of national security and defense; and the eradication of hunger and poverty.

Implementation of Party Resolution Reviewed

BK1806092895 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 17 Jun 95

[FBIS Translated Text] Most provinces and cities throughout the country have already set up plans to review the implementation of the third party Central Committee plenum resolution from the grass roots level up. Many provinces have established concrete work schedules so that all levels can complete their reviews and report to the local province party committee during the third and fourth quarter this year.

During the preparatory process, many provinces such as Nam Ha, Yen Bai, Nghe An, Tra Vinh, and Dong Nai have concentrated their guidance on certain localities to draw practical experiences. Many provinces have also reviewed particular subjects such as party building work; cadre-related work; and party renovation and correctness in residential communities, enterprises, universities, and colleges. Generally speaking, preparations for the review of the third party Central Committee plenum resolution at all levels have been closely supervised to complement the preparations for the upcoming congresses at all levels.

Rice Smuggling Pressures Exports, Local Supply

BK2006072095 Hanoi VIETNAM ECONOMIC TIMES in English Jun 95 p 5

[FBIS Transcribed Text] Rampant smuggling across the border with China and a bad winter crop last year mean that Vietnam faces a severe problem balancing the supply of rice needed to feed its population with the need for exports.

Officials acknowledge that no immediate solution is in sight but have in the meantime restricted rice exports. Vietnam is the world's third largest rice exporter.

Nguyen Thien Luan, Deputy Minister of the Food and Agriculture Ministry, has said that a bad winter crop left the North short by 700,000 tonnes. To plug the gap, the government has shipped 640,000 tonnes of rice to the North so far this year, but as much as a third has been smuggled abroad, mostly to China.

Of the several dozen freighters licensed to deliver rice to Haiphong port between November 1994 and March this year, 16 had not turned up at the port, he said.

The smuggling racket is apparently so wide that it includes members of the police and the military. VIETNAM NEWS has quoted Ministry of Defence statistics as showing that from September to November last year, nearly 5,000 tonnes of rice sold to China were transported in military vessels.

Deputy PM Phan Van Khai told a recent session of the National Assembly that "some local authorities don't consider regulating the supply of rice as part of their job, don't attach much importance to buying and transporting rice," referring to local authorities' unwillingness to tackle smuggling.

Increased Exports Help Reduce Trade Deficit

BK2006092495 Hanoi VIETNAM ECONOMIC TIMES in English Jun 95 p 5

[FBIS Transcribed Text] Increased exports helped Vietnam cut its trade deficit in the first four months of this year to $80 million from $228 million in the same period last year, according to the General Statistical Office.

Official figures showed exports were up 48.7 percent at $1.48 billion in the first four months, while imports rose 27.4 percent to $1.56 billion, compared with the corresponding period in 1994.

Vietnam had a $1.4 billion trade deficit in 1994, up from $1 billion in 1993. Exports were worth $3.6 billion, up from $2.9 billion in 1993 and imports $5 billion, up from $3.9 billion.

Government officials are concerned about the deficit but say it is natural in a country going for rapid industrial development after years of stagnation.

During the first four months of this year, Vietnam exported 2.7 million tonnes of crude oil, 840,000 tonnes of coal, 870,000 tonnes of rice, 31,100 tonnes of rubber and 81,600 tonnes of coffee.

The figures represented increases of 20.4 percent, 72.4 percent, 72.3 percent, 5.4 percent, and 12.1 percent respectively, compared with the first four months of 1994.

Cement imports rose 136.9 percent to fuel the building boom and shortfalls in the local market. Government officials have accused black marketeers of cornering local supplies to force up prices.

Imports of fertiliser, sugar, aviation fuel, steel and motorcycles rose 35.2 percent, 130.8 percent, 42.7 percent, 0.6 percent and 24.7 percent respectively, over the same period last year.

Imports of cars, mostly from Japan, fell 66.5 percent, apparently because of higher import taxes, which now stand at 200 percent.

Prime Minister Holds Session on Traffic Safety

BK1606085195 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 15 Jun 95

[FBIS Translated Text] On the afternoon of 15 June, Prime Minister Vo Van Kiet held a working session with some ministries, echelons, and related mass organizations in Hanoi to consider the implementation of Government Decree 36 and Prime Minister's Directive 317 on land traffic safety and city traffic safety.

Speaking at the meeting, Prime Minister Vo Van Kiet stressed the importance and urgent demand of ensuring land traffic safety and city traffic safety. He said that government policy on this issue has received total public support. The policy must therefore be executed uniformly, resolutely, and consistently. All government directives and decrees will come into effect on 1 August, but we must urgently prepare for all necessary tasks now. He requested that widespread public propaganda be launched in different forms in July to create strong public awareness so that everyone can fully realize the importance of traffic safety. Prime Minister Vo Van Kiet suggested that a steering committee, comprising members from the Ministry of Communications and Transportation, Interior Ministry, Construction Ministry, Ministry of Culture and Information, Central Proselytizing Department, and Government Office, be set up to ensure the successful execution of the government policy on traffic safety.

Writers Association Considers Future Measures

BK1806114895 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 16 Jun 95

[FBIS Translated Text] The Vietnam Writers Association [VWA] held a conference in Hanoi today on literary work during the 1995-2000 period in implementing the resolution of the Fifth VWA Congress. Comrade Nguyen Duc Binh, member of the party Political Bureau and secretary of the party Central Committee, addressed the conference. The conference was attended by more than 70 writers and poets representing various localities around the country.

After Poet Huu Thinh, VWA deputy general secretary, presented the VWA report on the direction of literary work from now until 2000, other writers, poets, and theoreticians expressed their views on the activities of different literary committees and councils, writer camps, and literary prizes. They also proposed such measures as the training and fostering of the next generation of writers and poets, and practical measures such as compiling a book of 20th century Vietnamese literature.

Addressing the conference, Comrade Nguyen Duc Binh praised the past efforts of Vietnamese writers and poets. He suggested that the VWA outline measures to unify its activities. This would be done so that writers and poets could produce more good works, reflect the national renovation undertaking in a timely manner, and prepare favorable conditions for entering the 21th century.

Australia

France Rejects Appeal to Cancel Nuclear Tests

South Pacific Forum Mulls Response

BK2006070295 Melbourne Radio Australia in English 0100 GMT 20 Jun 95

[FBIS Transcribed Text] South Pacific countries, who had an appeal to France not to resume nuclear testing in the Pacific rejected, have announced they are considering a number of retaliatory measures.

European correspondent, Majella Anning, reports six-member delegation was told that France had no intention of reconsidering its decision.

[Begin Anning recording] While individual members of the 15- nation South Pacific Forum say they will plan their own responses to the French decision, as a group they are to consider suspending France's dialogue status with the forum and boycotting the South Pacific Games in Tahiti.

The delegation, which met the French foreign minister, Herve de Charette, for an hour and a half in Paris, was disappointed at France's continuing hardline position on the nuclear test. The delegates, led by the foreign minister, Senator Evans, asked France to sign the South Pacific Nuclear-Free Zone Treaty. The French foreign minister declined, but said he might consider the issue after the tests were carried out.

Evans on Handling of Protest

BK2006092995 Melbourne Radio Australia in English 0500 GMT 20 Jun 95

[FBIS Transcribed Text] Australia's foreign minister, Gareth Evans, has dismissed criticism in Federal Parliament of his handling of the French nuclear test issue.

Senator Evans was at the head of the South Pacific Forum delegation which took its protest about the resumption of tests to the French foreign minister in Paris overnight, but France dismissed the joint protest.

Sen. Evans later told reporters he was not concerned about criticism in Australia's federal parliament.

[Begin Evans recording] Oh, I am not troubled by it any of the time. I have been in the parliament for 17 years and as they say governments go, wax and wane, what would I do today? Anything? Anything that may be of interest to anybody other than in the fourth estate? I mean they passed some resolutions and said some rude things about me even. (That is power for the court). I am quite happy to say rude things about them. I don't think that is very stateman-like and I do try to lift the level of decorum a bit when I am overseas. [end recording]

France Cancels Military Flights to Darwin

BK2006055495 Melbourne Radio Australia in English 0100 GMT 20 Jun 95

[FBIS Transcribed Text] The Australian Defense Department says France has cancelled two military flights due to land in Darwin today. Two French military planes have been expected to refuel in Darwin and Cairns while traveling to Noumea. The department confirmed the flights were scheduled, but France has cancelled them.

Transport Workers Union members in Darwin who would normally refuel French military aircraft have placed a ban on them in protest at France's decision to resume nuclear testing.

Move To Protect Interests in U.S.-Japan Dispute

BK1906130895 Sydney THE AUSTRALIAN FINANCIAL REVIEW in English 2 Jun 95 p 6

[Report by Michael Dwyer]

[FBIS Transcribed Text] Australia has thrust itself into the middle of the looming trade war between the United States and Japan, applying to be joined as a "third party" to World Trade Organisation [WTO] talks on the dispute.

The move, which followed a similar application by the European Union comes amid growing international concern over the potential threat the US-Japan dispute poses to the future viability of the multilateral trade system.

The Federal Minister for Trade, Senator McMullan, said yesterday there was now a "substantial possibility" of a bilateral deal between Washington and Tokyo to resolve the dispute over access to the Japanese car market.

The prospects for such a deal were also heightened by the announcement of a meeting between the US President, Mr Clinton, and the Japanese Prime Minister Mr Tomiichi Murayama, which will take place in Canada on June 15.

After refusing to discuss the issue since announcing their proposed trade sanctions last month, Clinton Administration officials have also signalled that America is now prepared to start talking again with Japan to try to resolve the dispute.

The US is expected, in the next few days, to give Japan a firm date for such discussions, which would probably lead eventually to a bilateral agreement between the two economic giants.

Senator McMullan said yesterday the Federal Government had decided to lodge a request to participate as a "third party" in WTO consultations sought by Japan in order to safeguard Australian exports and jobs.

"Our priority concern is to protect Australia's very substantial interest in this matter," he said.

"It will place significant pressure on all parties to ensure that if there is a move towards a settlement, we will be fully aware of it and won't be taken by surprise in a manner which prejudices our opportunities to defend Australia's interests."

Under WTO rules, countries can seek to safeguard their interests in the case of a trade dispute by requesting to participate in consultations as a "third party".

Senator McMullan said he understood the primary motivation for the decision by the EU [European Union] to participate in the WTO consultations was "their concern with the overall health of the multilateral system".

"Our primary motivation is our trade interest, but we will of course be concerned to protect the global multilateral interest as well," he said.

Around 20 per cent of Australia's motor parts exports, worth close to $200 million [Australian dollars] a year, go to the Japanese market.

"Japan is also one of Australia's major markets for coal, iron ore, other minerals and processed minerals, a high proportion of which is consumed by the Japanese auto industry as raw materials," Senator McMullan said.

He said the Federal Government was committed to taking all possible steps to ensure that any settlement of the dispute between the US and Japan did not discriminate against any Australian suppliers.

Croatian President Tudjman Conducts State Visit

Tudjman Arrives

LD1806092795 Zagreb Radio Croatia Network in English 0700 GMT 18 Jun 95

[FBIS Translated Text] Croatia's President Dr. Franjo Tudjman, accompanied by his wife Ankica and a high-ranking state delegation, has arrived in Australia on a state visit. The visit will last for several days. The Croatian delegation includes Dr. Mate Granic, deputy prime minister and minister of foreign affairs; Internal Affairs Minister Ivan Jarnjak; and Ivica Mudrinic, minister of maritime affairs and communications.

President Tudjman and the Croatian state delegation were met at the airport in the western Australian town of Perth by Croatian Ambassador to Australia Neven Jurica; Vjekoslav Karlovcan, the consul general of the Republic of Croatia for Western Australia; and Duncan Warren and Kevin Duckworth, honorary assistant and official secretary to the Australian governor general, respectively.

According to the program, on the first day of his visit President Tudjman will have lunch with Croatian diplomats in Australia. Later today the president is expected to visit the general consulate of the Republic of Croatia in Perth. This will be followed by a reception organized by the Croatian community of western Australia. Around 2,500 guests are expected to attend.

Visit Begins With Welcome, Protest

BK2006081395 Melbourne Radio Australia in English 0500 GMT 20 Jun 95

[FBIS Transcribed Text] Croatia president, Franjo Tudjman, has arrived in Canberra to an official welcome and a protest. There was tight security as the Croatian leader stepped off his plane at Canberra's Fairbairn Airport to be greeted by the Australian governor general, Bill Hayden, and a full ceremonial welcome.

While in Canberra, President Tudjman will discuss ways of increasing trade links which at present amount to a little more than $12 million a year. Several hundreds Croatian-Australians were on hand to welcome the president.

However, a group of mainly Serb protesters demonstrated against the visit outside Parliament House. While at Parliament House, President Tudjman met Australia's prime minister, Paul Keating. Tomorrow, the president will officially open the new Croatian embassy in Canberra.

Tudjman Addresses Emigrants

LD1806223795 Zagreb Radio Croatia Network in Serbo-Croatian 2000 GMT 18 Jun 95

[FBIS Translated Excerpt] Croatian President Franjo Tudjman has arrived on a several day long visit to Australia. A very warm welcome was staged for President Tudjman in the western Australian capital of Perth. [passage omitted]

Today's meetings culminated in President Tudjman's address to emigrants.

[begin Tudjman recording] Allow me, as the head of state of an independent and sovereign and democratic Croatian state, to convey to you greetings from the entire homeland. [loud applause] Together with greetings, I wish to convey to you gratitude and to congratulate you on everything you have done as the Croatian national community in far away Australia for the preservation of your Croatian identity, and on your contribution — through your national awareness and activity — to the establishment of an independent Croatian state and its defense from the Yugo-Communist aggression. [loud applause]

Plans are being drawn up on fringes of international conferences and some conferences are being organized on economic and other kinds of reintegration and attempts to return Croatia into that Balkan, Yugoslav hell [as heard].

However, we will not allow this. But in order to achieve this, I repeat, we need unity here, but also in every place on this planet where Croats live. We need unity among Croats abroad and between Croats abroad and Croats at home. We must never again allow those who did not know how to draw conclusions from the entire Croatian history to take center stage in Croatian political life. [loud applause]

Of course, we will continue with our efforts aimed at liberating the remaining part of occupied areas as soon as possible. On our part we also have responsibility toward the Croats in Bosnia- Herzegovina, not only because of their survival there and because of the strategic interests of the Croatian state, but also in order to create conditions for the new international order on the territory of former Yugoslavia. The new international order cannot be established without the normalization of relations between all the nations living there, including the Croatian and Serbian nations.

We were forced to take into consideration what international conditions were like, what the world community that did not want Croatia to be independent was like. But we also pursued a wise and resolute national and state policy, not only because of the need to coordinate our views with the world community, but also in order to suffer fewer casualties. I have mentioned several times that I will do everything to ensure that as little Croatian blood as possible is spilled, and that as few Croatian people are killed for the sake of Croatian freedom and the Croatian state. But at the same time, neither I nor the current Croatian authorities will hesitate should we need to make sacrifices to liberate our entire homeland. [wild applause]

The task of the independent, sovereign, and democratic Croatian state is not only to prevent further departure of the Croatian people abroad, but to reverse that process — that the Croats should start returning from abroad.

Long live our only and eternal Croatia. Thank you. [applause] [end recording]

Political Solution in Balkans Stressed

LD1906183695 Zagreb Radio Croatia Network in Serbo-Croatian 1700 GMT 19 Jun 95

[FBIS Translated Text] Reporters of Australian ABC TV have asked President Tudjman to comment on the war-related developments in this area of ours. Let us hear this interview. The first question referred to Croatia's position in the war in Bosnia- Herzegovina.

[begin recording] [Tudjman] Croatia wants to be a factor of peace and stability and of the new order that is taking shape in the area of the former Yugoslavia.

[Reporter, in English with superimposed Serbo-Croatian translation] What is your opinion on the current battles aimed at breaking the siege of Sarajevo? The situation in this city was critical. Some observers believe that this could lead to a defeat of the Bosnian Serbs. Do you agree with this view? Is this the true military situation in Bosnia at the moment?

[Tudjman] The confrontation between the Bosnian Muslims, whom Croats support in this struggle, and the Serbs has worsened. I nevertheless believe that neither side, neither the Muslims nor the Serbs can count on military victory alone. This is the basic reason why a politicaal solution is necessary to the crisis in Bosnia-Herzegovina. All international factors, including Europe, the European Union, the United States, and Russia agree that a political solution to this crisis should be found.

[Reporter] Does this mean that you believe that the United Nations should get more involved in a military sense, or perhaps less?

[Tudjman] My personal opinion was that effective military involvement would only have been successful had NATO been involved. As this has never materialized, then the presence of such forces, UN peace forces, currently reinforced with rapid intervention forces, can nevertheless operate in a sense of forcing both sides, the Serbs and the Muslims, into negotiations. [end recording]

Article Views Visit by Indonesian Minister

BK1906123795 Sydney THE AUSTRALIAN FINANCIAL REVIEW in English 1 Jun 95 p 11

[Article by Geoffrey Barker]

[FBIS Transcribed Text] The visit to Australia by the Indonesian Minister for Research and Technology, Dr B.J. Habibie, has underscored, once again, the Australian Government's fawning attitude towards the Indonesian Government.

It has also underscored, once again, the Indonesian Government's ultimate contempt for the democratic values and human rights concerns for which the Australian Government professes to stand when it does not judge pragmatism to be safer than principle.

In a splendid irony, Dr Habibie's visit concluded with 18 refugees arriving in Darwin from East Timor in a leaky boat, and with a remarkable claim by Dr Habibie that the 1991 Dili massacre was "an accident" and comparable to the recent terrorist bombing in Oklahoma City.

Looked at solely in terms of Australia's economic and security interests, there is a case for the government's grovelling attitude towards Dr Habibie, who is one of Indonesia's most durable leaders and a confidante of President Suharto.

Indonesia's increasingly affluent 190 million people are a potentially massive market for Australia; Indonesia's close proximity across the northern approaches to Australia ensure its strategic significance. As the dominant ASEAN nation Indonesia has potentially enormous influence over Australia's efforts to engage fully with Asia (with President Suharto on-side, Australia needs not be too concerned about the hostility of Malaysia's Dr Mahathir).

But let us not be blind to the price Australia pays for these benefits, or to the mindset of the Indonesian power elite which Dr Habibie represents. Both became clear before and during Dr Habibie's visit, while the Australian Government chose to avert its eyes.

Before Dr Habibie came to Australia, he sent an advance delegation led by former Indonesian Army General Sintong Panjaitan, who had been removed from the army after troops under his command carried out the Dili massacre in his absence.

Given Australia's protests over the killings and over Indonesia's continuing oppression in East Timor, Dr Habibie's use of former General Panjaitan as his envoy to Australia would seem either grossly insensitive, a provocation, or an attempt to test the limits of Australia's tolerance.

But the Australian Government made no protest. It issued a visa to former General Panjaitan, sneaked him into the country, and kept him under wraps to avoid protests by East Timorese refugees and Australian human rights activists.

Likewise when Dr Habibie arrived. Details of his itinerary were not published so that he would not be confronted with demonstrators: the Australian Government wanted to impress Dr Habibie with Australian technology and was aware of his volcanic temper.

So for cordial relations with Indonesia, Australia has to swallow its pride and higher principles and to humour leaders whose contempt for Australian values emerges whenever they appear in public.

At his press conference on Tuesday [30 May], after the Prime Minister, Mr Keating, called Indonesia a "great country", Dr Habibie quickly made clear his contempt for the concept of universal human rights.

He resorted to the relativist argument inevitably deployed by authoritarian leaders, declaring that human rights were not absolute but "relative to your culture" and were reflected in economic progress.

It was clear that Dr Habibie whose government has closed down troublesome Indonesian newspapers, was not about to be questioned by an uncontrolled press: he expected journalists to sit and listen while he delivered seemingly interminable lectures on the glories of his achievements in the aerospace industry.

But perhaps his most disturbing claim was made on the ABC's [Australian Broadcasting Corporation] FOREIGN CORRESPONDENT program, where he claimed the Dili massacre was "an accident". There is dramatic videotape evidence to show that the Indonesians deliberately set about shooting the unarmed Timorese in a brutal response to a peaceful protest.

No less remarkable was his claim that such events could happen "any place in the world", and were like the Oklahoma City bombing. That claim ignores the inconvenient fact that the US bombing was carried out by a terrorist group which is now facing harsh justice — not by police or troops whose commander was appointed an envoy to Australia.

It may be in Australia's interest to flatter Indonesia's leaders. But we should also be aware of their ultimately brutal attitudes towards what matters to many Australians.

U.S. Wheat Export Progam Damaging Production

BK1906035695 Melbourne Radio Australia in English 0100 GMT 19 Jun 95

[FBIS Transcribed Text] The chairman of the Australian Wheat Board, Trevor Flugge, says the marketing strategies of the American Export Enhancement Program are unfair and the subsidies scheme is damaging global production level.

He says the enhancement program is proceeding in a way Australia finds quite disgraceful in that it has been used to get a market share they cannot get legitimately.

Australia, Canada, the United States, and the European Union are the world's top four wheat exporters.

Mr. Flugge, who is touring Middle Eastern markets, also said the American Department of Agriculture program is practically providing a diet of subsidized wheat, raising demand while global supplies are dwindling. He said there is a shortage of grain because of production problems and the high demand in Asia.

The wheat board chairman said the cheaper wheat further decreases production levels as farmers switch from the uncertainty of wheat to canola and other oil seeds. Australia has warned the United States against extending subsidies into key markets such as Asia and Egypt.

New Deputy Prime Minister Elected

Brian Howe Resigns

BK2006081595 Melbourne Radio Australia in English 0500 GMT 20 Jun 95

[FBIS Transcribed Text] Australia's deputy prime minister, Brian Howe, has announced his resignation saying he will retire from federal parliament at the next election. In the meantime, Mr. Howe intends to remain as minister for housing and regional development.

The prime minister, Paul Keating, has praised Mr. Howe's performance as his deputy and as a minister. Mr. Keating said Mr. Howe had made a major contribution to the government since the 1983 election and as a longtime minister for social security and health, Mr. Howe had helped raised social policy to a high and sophisticated level.

The finance minister, Kim Beazley, appears likely to replace Mr. Howe as deputy prime minister with a vote of all Labor Party parliamentarians expected to be held within several hours.

Finance Minister Replaces Howe

LD2006083595 Melbourne Radio Australia in English 0800 GMT 20 Jun 95

[FBIS Transcribed Text] Australia's Finance Minister Kim Beazley has been elected deputy prime minister. He replaces Brian Howe, who has announced he will retire from politics at the next federal election.

Mr. Beazley was elected unopposed at a meeting of all Labor Perty parliamentarians in Canberra. He will retain his finance portfolio.

Mr. Beazley is best known for his more than 5-year term as defense minister, when he commissioned landmark reviews of Australia's defense policy, which placed greater emphasis on the defense of Northern Australia and security links with Southeast Asia.

The 46 year-old minister, from Western Australia, has long been tipped as a future Labor prime minister, and is well regarded by his colleagues as a strong performer in parliamentary debates.

New Caledonia

Adverse Effect of French Goods Boycott Feared

BK2006105195 Melbourne Radio Australia in English 0500 GMT 20 Jun 95

[FBIS Transcribed Text] A pro-independence leader in New Caledonia has advised Australians and New Zealanders to be cautious about a boycott of French goods in protest against the resumption of French nuclear testing. South Pacific correspondent Erina Reddan reports:

[Begin recording] [Reddan] The vice president of the pro- independence umbrella group, the FLNKS [Kanak Socialist National Liberation Front], says the trading boycott would be dangerous for New Caledonia's economy. (Wap Worminton) says Caledonians are sad about the restart of nuclear tests but a boycott has to be very carefully targeted. Mr. (Worminton) says he approved of Australia preventing the refueling of French airplanes on way to the testing sites in Mururoa but he says a general boycott could undermine the aspirations of his people.

[(Worminton]) [Words indistinct] well, for the tourism. If there is a boycott from Australia, it is not really for our development here in New Caledonia. [End recording]

New Zealand

McKinnon Talks With U.S. Envoy on Nuclear Tests

BK2006013595 Hong Kong AFP in English 0122 GMT 20 Jun 95

[FBIS Transcribed Text] WELLINGTON, June 20 (AFP) — Foreign Minister Don McKinnon Tuesday summoned the US Ambassador Josiah Beeman to his office to express "deep concerns" over reports that Washington may follow France and resume underground nuclear testing.

Last week France said it would hold eight nuclear tests in the South Pacific beginning in September.

McKinnon said he told Beeman the US move would be contrary to the spirit of the Nuclear Non-Proliferation Treaty and would place a "severe strain on New Zealand's relations with the United States."

On Sunday US Defence Secretary William Perry said Washington would soon decide whether to resume testing to make sure its weapons were safe and reliable.

But a day later he said that while the US might carry out some nuclear "experiments" allowed by a future test ban treaty, it would not follow France's lead and break a voluntary moratorium on nuclear testing.

McKinnon said Beeman assured him that there were no recommendations on resumption of testing before US President Bill Clinton.

Beeman "is to relay to the White House and also to the State and Defence Departments the concerns I expressed strongly this morning. He will also seek clarification of the statement made recently by the secretary of defence," McKinnon said in a statement.

The foreign minister said New Zealand's ambassador in Washington, John Wood, would be making similar representations to the US administration there.

Prime Minister Jim Bolger said Monday a resumption of testing by the US would make a "mockery" of the Comprehensive Test Ban Treaty.

Pending ratification of the Comprehensive Test Ban Treaty, the nuclear states has pledged to show "utmost restraint" in testing.

Commonwealth Secretary-General Emeka Anyaoku, who is in New Zealand, said the Commonwealth believed nuclear testing should be stopped at the earliest possible opportunity.

"Now that the French government is to resume tests in this region, the Commonwealth cannot but be concerned with a matter that is of such major concern to so many of its members in this region," he said after a meeting with Bolger.